
THE
SUBSTANCE OF THE SPEECH

OF
JOSEPH HUME, Esq.

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DELIVERED
AT AN ADJOURNED GENERAL COURT

OF
The Proprietors of East India Stock,

HELD IN THE INDIA HOUSE,

On the 19th of January, 1813,

FOR THE PURPOSE OF TAKING INTO CONSIDERATION THE PAPERS
AND CORRESPONDENCE BETWEEN THE COURT OF DIRECTORS
AND HIS MAJESTY'S MINISTERS,

FOR THE
RENEWAL OF THE COMPANY'S CHARTER.

WITH
AN APPENDIX,

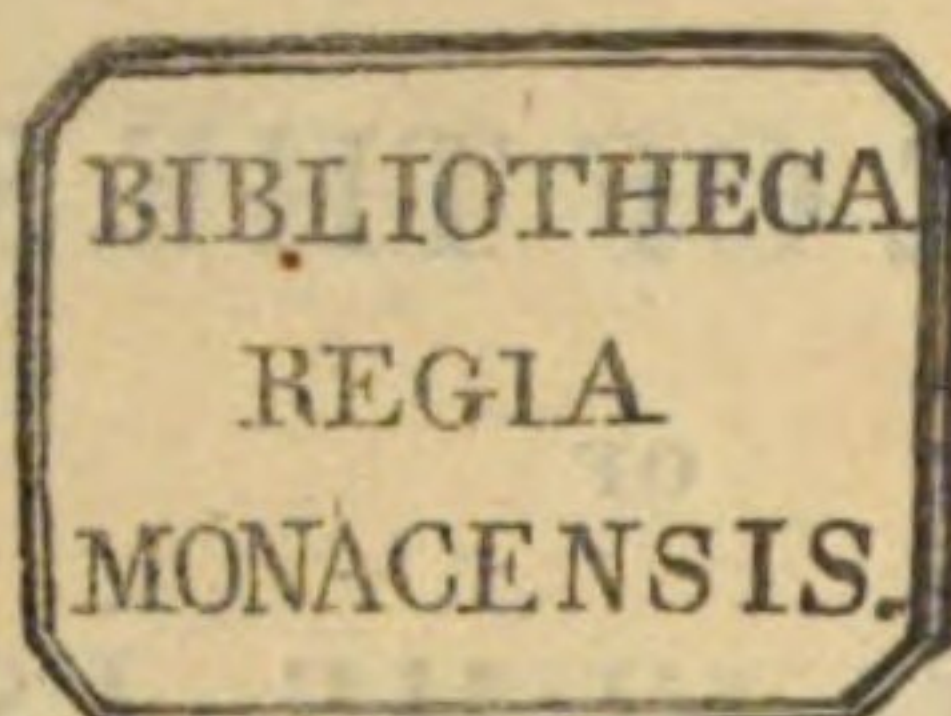
CONTAINING
EXTRACTS OF THE PRINCIPAL EVIDENCE AND STATEMENTS

Referred to in the Speech.

London :

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1813.



PREFACE.

THE question of an Open Trade to India will be viewed by the public with that interest and consideration which a subject of such great national importance demands: and, as it may be expected that I should have taken a view of it in its broadest and most extensive bearings, as embracing the various interests concerned; it is therefore proper to premise, that I do not publish this Speech as containing all the arguments which may fairly and justly be brought forward by the advocates of a free trade against the narrow-minded and erroneous policy of monopoly, held out and insisted upon in so bold and confident a manner by the Court of Directors.

Neither the time nor the occasion called for such a view from me; I was confined to a limited object; and, anxious to shew that the Court of Directors had broken off the negociation for the Renewal of the Charter upon a point which did

not in reality affect the East India Company's interests in any material degree, I was anxious to shew, that the trade to India might be yielded to the merchants of England, not only without any loss to the East India Company, but with a very material advantage to it, as well as to the nation at large.

I wished to prove to the Court of Proprietors, that the Exclusive Trade, as carried on by the Company for the last eighteen years, had been productive of very considerable deterioration of their finances ; and that, in meeting the wishes of the Minister on the present occasion, they would be at the same time benefiting themselves and the public.

In order to prove how far the expectations of the public and of the Company have been disappointed since 1794, it was necessary to advance such a body of facts, the result of experience during that period, as should silence specious argument and empty declamation ; and, I trust, the reader will be satisfied that the facts adduced will bear me out in every position which I have been anxious to support. I knew well, that in the Court of Pro-

prietors any arguments or reasoning on my part, unsupported by documents and undisputed facts, would have been useless labour ; and therefore, in deference to the *disposition* with which my Speech was received, I endeavoured to bring forward only a *few* of the strongest and most prominent facts, which were necessary to place the subject under fair and full discussion.

The principal object, therefore, in printing this Speech is, to correct the various, erroneous, and (I fear) wilful mistatements which have been given to the public of what I said ; and to enable a discerning public to judge whether the facts and statements, brought forward by me, are *irrelevant* to the subject of the *Trade to India*, and better suited to the *meridian of Liverpool*, than for a General Court of Proprietors of India Stock.

The statements are offered on the firm conviction that they are in every part correct. And upon a fair and liberal view of the subject, I wait to see if it can be proved, by the advocates of a continuance of the Exclusive Trade, that my position, “ of the Indian trade having been the source “ of much loss to the Company,” is not founded

in fact; or, that “the opening of the trade to
 “India will not be productive of great national
 “advantage.”

There were opinions advanced, and some statements given, at the adjourned Court of the 26th of January, which I could have answered in the most satisfactory manner, if the *impatience* of the Court had not been so very evident, whilst I occupied its time in explanation only of the most prominent and specious objections which had been made to the facts adduced by me; I therefore hope I will be excused for having noticed such of these statements as merited an answer, although they did not stand so prominent on the 19th as they may now do.

JOSEPH HUME.

Gloucester-place, Feb. 1, 1813.

SUBSTANCE

OF
A SPEECH, &c.

SIR,

IN offering myself to your notice on the present occasion, I am aware that an apology is necessary, as some of you are surprized that I should come forward to give an opinion upon a question of such great importance, when on every side I am surrounded by gentlemen so much my superiors in experience, abilities, and influence.

It is not that I am arrogant, or over officious, or satisfied that I am equal to the task which I have undertaken, or that I

shall be able to do justice to a subject which involves so deeply the interests of many individuals, of the East India Company and the public ; but, as no person appeared willing to come forward, at the last General Court, an advocate for the rights of the public, and, as I think, for the real interests of the East India Company, I ventured to obtrude myself rather than allow so very important a cause to be entirely without a supporter. Should I fail in offering any essential information on the subject myself, I shall succeed in my object if I can by any arguments and observations invite a full discussion, and draw from others, better qualified, such information as may enable us, with greater facility, to come to a just decision.

The question for the consideration of this Court, the renewal of the Charter, is of such immense consequence to numerous private establishments, to the East India Company, to the British nation at large, and to millions in India, that I place the firmest reliance on the justice, candour, and liberality of this honourable Court, that it will not come to a hasty decision ;

but, after patiently and attentively hearing every fact and argument on both sides of the question, endeavour to determine in a manner best suited to meet the rights and interests of all parties, and confer dignity on its own proceedings as a great public body.

I am at all times anxious to enjoy the good opinion of society, and particularly of those whom I have considered my friends. Some of them think, that the line of conduct which I have taken on this great question is rather hostile and ungenerous towards the East India Company. I am therefore anxious to satisfy them, and others interested, that no such interpretation ought to be given to my conduct; that, on the other hand, it ought to appear to all as most friendly and serviceable, and such as, I hope, will meet with your approbation, and the approbation of the public.

I am actuated by motives, some of which do influence, and the rest ought to influence every person; and which lead to sincerity and zeal in every part of my conduct: they are threefold, viz. respect for the government of the East India Com-

pany, my own self-interest, and the prosperity of the nation at large.

The opinions which I have formed, are the result of many years deliberate consideration and enquiry ; and so firmly have I been impressed with the truth of them, and the necessity of the proposed alterations, that I had determined, even if ministers had conceded every thing to the Court of Directors, to have ventured, an insulated individual as I stand, to have invoked the attention of this Court and the country ; and to have recommended to the Company to give up the trade to India altogether, except in as far as a few ships might be necessary for the conveyance of troops, or to bring home cargoes, the produce of the expected surplus revenues of the country.

It would be unnatural in me to entertain hostility to the East India Company, for I have spent a considerable portion of my life in their service, and have derived a competency under their government. I have formed attachments and laudable partialities to the country in India, its inhabitants, and interests. I have observed,

England about the patronage and appointments in India ; but, in general, great attention is paid to select men fit for the duties of the offices to which they are appointed, which is not always the case in England.

In India, property is as sacred as in England, and personal liberty as well protected ; there are few, *if any*, accounts in any of the public departments, which remain unadjusted after the expiration of the year ; and, in the receipts and disbursements of a revenue of fifteen millions sterling, an active and speedy audit, in every department, is the best means of preventing irregularity, and guarding against peculation.

A respect and veneration for the country and its establishments, render me the warm advocate of the East India Company, and their real and proper interests ; and I hope no person will believe that I would willingly do any thing to injure them. I am likewise actuated by another powerful motive, self-interest, to support and promote the prosperity of the Company ; for, as a proprietor of India stock, with a stake in

the funds of the Company, though not intrinsically so great as that of many present, yet to me, in my present situation, of perhaps equal importance, it cannot be supposed that I should be anxious to effect any change that would injure the Company's income; but, on the contrary, to support whatever arrangement will be most advantageous to it.

To Englishmen, the welfare and increasing prosperity of their country at large ought, with every becoming indulgence to the effects of local prejudices and partialities, and the more powerful principle of self-interest, to be the grand predominating principle in their general conduct: and, Gentlemen, I entertain a perfect conviction, that the alterations proposed by his Majesty's Ministers, on the renewal of the Charter, will not be productive of any danger to the political government; whilst, in the commercial department, it will be of advantage to the Company, and productive of important improvement in the commerce and revenue of the nation. On these accounts, I feel myself called upon, by an imperious duty to my country, to offer

some remarks to you on the question now before you. In the view which I have taken of the effects to be expected from the change in the exclusive trade, I trust that the port of London will not suffer to the extent that the London merchants now contemplate: on the contrary, I am of opinion that the trade between the port of London and India will be increased rather than decreased by an open trade, notwithstanding a participation is granted of both exports and imports to the out-ports; and I shall trust to the facts to support my opinion. If, by the present system of partial exclusion and restriction, we are able to bring to London two-thirds of the whole India trade; may it not be reasonably expected, that, by the open trade, a considerable portion of the remaining third part, which has been hitherto engrossed by the Americans, will, under proper regulations as to duties in India on the foreign flags, &c. be hereafter brought to England? If the London and India merchants are correct in their opinions on that point given to the public, we may expect to engross nearly the whole of the remaining

third of the trade of India, which I suppose may be more than the quantity which the out-ports will embrace. The City of London therefore should not, and far less the East India Company, object to those measures, which will not only increase the trade in general, but, perhaps, their respective shares of it.

If you will, after what I have said, give me credit for sincerity, as a well-wisher of the Company's government in India, as a friend to my own interest, and as a loyal and good subject, zealous for the prosperity of his country, I hope you will believe that it is an imperious sense of public justice and duty that impels me to solicit your patient hearing, and to express my earnest and humble request, that you will favour me with your attention and indulgence.

I thought that the question before the Court at the last meeting had been confined to that "of the participation of the out-ports in the import trade from India," until an Honourable Director (Mr. Grant) corrected me, and declared, that the whole policy and interests of the Company's government were under consideration, and

intimately connected with the decision of the Court, as involving the security and prosperity of the Company's affairs at home and abroad ; the eventual safety of the *empire in India and constitution at home.*

I was happy to know from the Honourable Director, that we might take a view of the question in its greatest extent, and in all its bearings. My opinion is very different from that of the Honourable Gentleman who has just spoken (Mr. Davis), whose opinion, that exports cannot be sold to a profit in India, may be correct on an insulated case, as it is a fact well known, and common enough in commerce, for any market to be at a particular time overstocked, and if the goods cannot be kept, as occurred in the case stated by Captain Davis, they must be sold at a loss : but it is equally well known, that the very markets in question do sometimes afford a profit of 100 ,or 150 per cent. on goods. These I consider as insulated cases, and having little to do with our present consideration, which ought to be directed to a general view, comprehending the period of the Charter. In order to render those re-

marks which I propose to offer, more clear and intelligible, it will be necessary to separate the matter under five different heads.

The facts that might be adduced, are so numerous and varied, that I should trespass too long on your indulgence, if I were to notice them all ; I shall therefore humbly submit to your consideration only those specific and strong facts, which appear necessary to be known, before you come to a decision.

I shall consider, therefore,

1st, The correspondence, now before the Court, between the Court of Directors and his Majesty's Ministers through the Board of Control.

2dly, What were the expectations formed at the renewal of the Charter in 1793, as to the trade to and from India ; and, whether or not these have been realized.

3dly, Whether an open trade to India would be the means of realizing these expectations; what the dangers may be which are dreaded from the proposed changes; and, whether any regulations can be made to guard against them.

4thly, What rights the Company have to

retain the present possessions in India, and their exclusive trade.

5thly, What the resources of the Company have been; whether the trade to India and to China have been profitable or not; and, whether the whole or part ought to be retained.

Lastly, I shall offer such inferences and observations, as the facts adduced and the existing circumstances may warrant me to offer to this Court in its deliberations upon the present question.

As much notice has been taken of the correspondence between the Court of Directors and Earl Buckinghamshire, for the renewal of the Charter of the Company, it will be proper to be a little more particular, and to go more into detail, than would otherwise have been necessary. I shall examine whether, in the mode, the matter, or the language of the correspondence, there is any thing extraordinary or unexampled, which should have called upon this Court for the censure which they passed upon the conduct of the President of the Board of Control, at the last Court, with the exception of my single

dissentient voice. I then earnestly entreated, that as the Court, by their vote of adjournment in order to take into consideration the whole of the correspondence, had thereby declared their inability to determine correctly upon it, they should also defer their approbation or opinion on the conduct of the Directors who had carried on the correspondence: but my request was not attended to, and the Directors received the thanks of the Court, which I then suggested might not be merited, and, the careful perusal of the papers has confirmed me in that opinion. I think it would have been more consistent, if the Court had not been so hasty in their decision on that day, as, in fact, we are now assembled to discuss and consult upon a point which we decided at the last meeting. So much for consistency and regularity.

We approved of the conduct of the Court of Directors for having, as I contend, prematurely put an end to the negociation; and we sanctioned their declaration that they would not recommend this Court to accept of the Charter on the terms proposed. Indeed the result of our resolution

with pleasure, the happy effects of their mild system of administration, improving daily by experience. I have witnessed, with satisfaction, the moderation, liberality, and justice, of its governments in the regulation and superintendence of the country; the zeal, abilities, and attention, of their servants intrusted with the management of the different departments; and I have satisfied myself as to the degree of protection, comfort, and liberty, which the millions who live under the Company enjoy.

Whilst the strictest attention is paid by the Company's servants to the religious customs and prejudices of the natives of India, the most scrupulous care is taken, in all the judicial proceedings, to meet their own judicial systems where good, and to correct them where bad. Indeed, it is much to be wished that the regulations which are established by the Company's government in India, for the rule and guidance of their servants in their various duties, were promulgated and better known in England. They would tend to remove those erroneous opinions, and illiberal sentiments, which are entertained by many in

this country as to the government and condition of the inhabitants of British India. If we consider ignorance as the mother of such opinions, we ought, by correct information, to endeavour to clear away the delusion ; and if, in a few instances, persons from other motives and reasons may propagate falsehoods, we ought to pity and despise, while we refute the authors.

As Englishmen we are proud, and justly proud, of the British constitution, and its various establishments ; which, though not perfect in every respect, yet, taken in the whole, are much better adapted to ensure liberty and happiness than any other form of government we are acquainted with. It does not, however, follow, that all the ordinances of the British constitution would be equally proper to be carried into effect in India. In fact, the state of education, the habits, and religion of the natives in India, would render many of our British privileges useless, if not productive of serious mischief.

It is, therefore, necessary for Englishmen to know the country and the natives better, before they censure any regulation estab-

lished by the Company's government there, in regard to the natives.

A greater proof of ignorance of the customs and disposition of the natives, and of the government of British India, cannot be given than in the outcry lately made about the liberty of the press having been restrained by a noble Marquis in India.

I have considered with attention the efficiency of the judicial, the revenue, and the military departments, both in England and India; and I am compelled, in candour, to declare, that if some departments of the Company's government yield to similar ones under the King's, they are, in general, superior both in the zeal and the ability with which the various duties are performed.

If our attention were called to the military establishments in India, I am confident that their efficiency and discipline can seldom be excelled; and when the component parts of the armies are examined, it will surely deserve the highest praise, that men of customs and habits so widely different, as those of whom they are composed, have been brought to act in unison,

with so much honour to themselves, and advantage to the state. However high our troops have lately raised the fame of British heroism and valour in Spain, I am scarcely inclined to allow that they have exceeded many of the gallant and heroic actions of the British army in India, during the late wars; and, perhaps, if the character of the inhabitants, and the prejudices which were opposed to the perfection of British discipline, are duly considered, too much applause cannot be bestowed upon the army under the Company in India.

It is not our object to enter minutely into these subjects at present; but, in justice to the opinion which I have formed of the civil and military servants of the Company in India, I could not withhold this declaration.

In every system there are faults which require correction; and, if I were to refuse to the commercial department the same approbation I have given to the others, it would not be owing to want of zeal and ability in those who conduct it; but to causes inherent in the commercial system of the Company. Much has been said in

can only be to confirm or annul that approbation, and I hope I shall be able to show, that we ought, in justice to our own rights, and our present situation, to accede to the proposals of his Majesty's Ministers.

The negociation appears to have commenced so early as the 30th of September, 1808, on the basis, as expressed by the Right Hon. Robert Dundas, President of the Board of Controul, "of the continuance of the present system of government in the British territories in India," with such amendments as experience may appear to demand ; and, as appears by the letter of the Secret Committee of the 12th of October, with an expression of hope, on the part of the Secret Committee, "that there would be no disposition to introduce any change that would weaken the main principles of the present system."

The Court forwarded, on the 16th of December, hints as principles on which they wished the Charter to be renewed ; but Mr. Dundas, in his answer to them, of date 28th of December, proposes two deviations, of considerable consequence, from

the first proposition he had made to them, viz :

The opening of the trade to India (not to China) to British merchants in general ; and the transfer of the Company's army in India to the King's establishment.— These propositions were calculated to surprise the Directors ; and the correspondence which followed puts us in possession of all the arguments on both sides.

I am ready and willing to allow great ingenuity, and much ability in the specious arguments which the Chairman and Deputy offer (in their letter of the 13th of January, 1809) in favour of the rights of the Company, and the advantages that would be derived from the continuance of the exclusive trade to India ; but the reasoning does not appear to me founded on facts ; and I am not at all surprised that their statement of dangers expected from the opening of the trade, had but little effect upon his Majesty's Ministers.

With respect to the reasoning and arguments offered against the transfer of the Company's army to the King's establish-

ment, I consider them so well drawn up, and so forcibly urged, so satisfactory and convincing of themselves, that without any local knowledge of their truth and correctness, I should have been one of the warmest and most sincere opposers of such a measure, if his Majesty's Ministers had persisted in their proposition.

I am firmly convinced that the transfer of the army in India from the Company's Government and patronage, whilst they retain their political power as sovereigns, would be fraught with dangers incalculable, and evils which could never be remedied; and it is a measure which, I trust, the British Government will consider well before they attempt.

As that is a point of much more importance to the peace and security of British India than perhaps any other measure that can be attempted there, I am induced to subjoin the reasoning of the Chairman and Deputy on that subject, at some length, as the whole is so just and forcible that it cannot fail to convince every person, who gives it due consideration, of the impolicy of meddling with the army.

“ The Indian army is the main instrument
“ by which the Company have acquired and
“ retained the territorial possessions they
“ have added to the British Empire. The
“ people of those countries submitted more
“ easily to an authority exercised by means
“ of a body formed from among themselves.
“ We fought battles and governed provinces
“ as the native powers did; and our new
“ subjects, undisgusted with the sight of a
“ foreign conquering army, supposed the
“ government to continue substantially the
“ same, and the principal change to be in
“ the individuals who exercised it. The
“ constitution and character which this
“ Indian army has acquired, have been
“ the subject of just admiration. These
“ have been owing essentially to the happy
“ mixture of bravery and generosity, of
“ firmness and kindness, exercised towards
“ the Sepoys by their European officers.
“ The superior lights and energy of the
“ European character have directed the
“ powers, and conciliated the prejudices, of
“ the native troops; but it was because the
“ officers knew the people and their pre-
“ judices well. These officers had been

"trained up among them from an early
 "age: the nature, the usages, and the
 "language of the natives, were become
 "familiar to them; and the natives, re-
 "markably the creatures of habit, in re-
 "turn, from being accustomed, became
 "attached to them. Without such know-
 "ledge, however, on the part of the of-
 "ficers, they might every day have revolted
 "the minds of so peculiar a race, and have
 "alienated them from our service and
 "government.

"An Indian military education, from an
 "early age, is essential to the formation of
 "a good Sepoy officer; and gradual rise in
 "the service by seniority, is no less indis-
 "pensable. In this way, the Indian army
 "has been constituted and rendered emi-
 "nently efficient; and all measures, tend-
 "ing to change or weaken the constituent
 "parts of this fabric, are to be depre-
 "cated. When, excepting a few regiments
 "of European artillery and infantry, the
 "whole military force of British India
 "was composed of Sepoy corps, the of-
 "ficers of that army, of course, possessed
 "entire the emoluments and advantages

“ which the service afforded. The intro-
 “ duction of European troops from his
 “ Majesty’s army into India altered this
 “ state of things. Young officers, of no
 “ Indian experience, who had obtained
 “ their commissions by purchase, took rank
 “ of men of long and tried service : the
 “ King’s officers were thought to come in,
 “ also, for too large a share of employments
 “ and advantages. To redress the com-
 “ plaints which the Company’s officers
 “ made of supercessions and partialities,
 “ and to give them a better share of the
 “ benefits of the service, was the leading
 “ object of Lord Cornwallis’s Military Plan
 “ of 1794, and with him a principal motive
 “ for proposing to transfer the Indian army
 “ to the King, no other practicable means
 “ having then occurred to him. But
 “ the object was, in substance, attained
 “ by the military regulations of 1796,
 “ passed in concert with his Majesty’s
 “ Government, without that transfer, of
 “ which his Lordship did not revive the
 “ idea on his last return to India, those
 “ regulations having given increased rank
 “ and retiring pay to the officers of the

" Company's army. The causes of com-
 " plaint, however, did not entirely cease.
 " To avoid the collision of authorities, the
 " Company had adopted the usage of ap-
 " pointing the Commander in Chief of the
 " King's troops also their Commander in
 " Chief; and one consequence of this has
 " been, that the Company's officers, re-
 " sident from early youth in India, pos-
 " sessing little influence in England, un-
 " known to officers of high rank in his
 " Majesty's service, have thought them-
 " selves treated with less favour and dis-
 " tinction, than younger officers of that
 " service, recently arrived, but better patro-
 " nised. You know, Sir, that there have
 " been instances of this sort, which the
 " Court, with the sanction of your Board,
 " have interposed to repress: but as long
 " as the British force in India is made up
 " of two armies, so differently constituted,
 " with so large a portion of King's officers,
 " the whole commanded by generals of his
 " Majesty's service, there will, probably,
 " be real or apprehended ground for the
 " like complaints. They do not arise be-
 " cause one army has the honour to belong

“ to his Majesty, and the other serves the
 “ Company, but because the constitution
 “ of the two armies are radically different,
 “ and must continue so, whether the armies
 “ are under one head or two. The Indian
 “ army cannot be maintained without of-
 “ ficers attached to it from an early age,
 “ and rising by seniority. Frequent changes
 “ of King’s regiments serving in India, and
 “ the consequent frequent arrival of young
 “ men, promoted in them by purchase, can-
 “ not be avoided : the former class will be
 “ comparatively unknown to the King’s
 “ commanders, the latter will have among
 “ them the connections of those comman-
 “ ders, or of men of influence in England.
 “ It is not difficult to see, therefore, to
 “ which side the exercise of military patro-
 “ nage will lean ; and to prevent causes
 “ of complaint, and to keep the balance
 “ even, must be an important object in the
 “ Government of India. It does not seem
 “ the way to effect this, to put the Indian
 “ army wholly in the power of the Com-
 “ mander in Chief. It is of the partiality
 “ of that station of which the Company’s
 “ officers have sometimes complained ; and

“ the Court see no reason whatever to sup-
 “ pose, that their jealousy and dissatisfac-
 “ tion would be removed by putting them
 “ entirely under its controul : and, indeed,
 “ by placing two armies, of such different
 “ races and so differently constituted, under
 “ the same master, it would seem difficult
 “ to avoid attaching the idea of permanent
 “ inferiority to that which was Indian. Nor
 “ is it a thing to be taken for granted, that
 “ the Sepoys, so much, as already observed,
 “ under the influence of habit, would chuse
 “ to be transferred from that service to
 “ which they have been always accus-
 “ tomed, to one of which they have little
 “ experience, and that experience not al-
 “ ways of a conciliatory kind. To place
 “ the officers of the Indian army wholly
 “ under that authority of which they have
 “ hitherto complained, does not certainly
 “ appear to be the way to render them
 “ easy. It might, on the contrary, lead
 “ to serious discontent ; and though the
 “ Court would be far from countenancing
 “ that spirit among their officers, or yield-
 “ ing to any irregular exertion of it, yet it
 “ must be said, on the other hand, that

“ those officers are a body of men who have
 “ deserved too well of the Company and
 “ their country, to have real causes of dis-
 “ content; and that it would be impolitic
 “ to adopt any system likely to generate
 “ such causes, either among them or the
 “ men they command.”

I have thought it proper to enter the above long extract from the letter of the Chairman and Deputy, because there are still to be found some persons who are disposed to support such a measure; and I scarcely think it possible to employ more correct and forcible arguments than those which that extract contains.

After a lapse of three years, the correspondence was renewed by Lord Melville on the 17th December, 1811. He proposes to wave the question of military transfer, but requires from the Court the opening of the trade to and from India to all British merchants, under proper regulations.

That question was submitted to a General Court of Proprietors on the 2nd of April, 1812; and it was then, I think, agreed to acquiesce in the proposed open-

ing of the trade. It appeared to be settled as a preliminary, that the exports from London and the out-ports to India, and the imports from India to London, should be open to all British merchants.

On the 20th of April, however, Earl Buckinghamshire intimated to the Chairman, that his Majesty's Ministers had been induced to alter their opinions on the subject, and to propose a participation in the imports of India goods, to a limited number of the out-ports, as well as to London.

I have been unable to discover the danger or loss that is to arise to the Company's Government and affairs, by the proposed extension of the imports from India to a few of the out-ports; but the Chairman thought otherwise, and by letter of the 19th of April, to Earl Buckinghamshire, declares his determination to resist the extension of imports beyond the port of London. The Court of Directors supported him in that resolution, and the negociation was broken off upon that point, whilst the General Court of Proprietors at the India House, on the 5th of May, passed a vote of approbation of the conduct of the Di-

rectors, for their *firmness* in opposing the proposition of his Majesty's Government.

How far that vote is correct, in regard to all facts therein stated, particularly where it declares, "that the increase of the commerce of this kingdom cannot be in any degree attained, there being no practicability of extending materially the use of our manufactures among the Indian people ; neither does it appear practicable, largely to augment the importation of profitable commodities from thence,"—I think is very doubtful. For my own part I am decidedly of opinion, judging from the experience we already have had, that the positions are not correct, as I shall hereafter endeavour to shew ; nor can I, in any way, approve of the mode in which that resolution proceeds.

It is necessary to observe the spirit of opposition which manifested itself to any change of system whatever, and particularly to the participation of the out-ports in the imports from India ; more especially, when we consider that, at the moment the Court is holding the language of a state or power possessed of something that could

be granted away by them, they, in fact have nothing to grant or give. It is to be observed through the whole of the correspondence, that the Company appear to consider themselves as having the right to grant the opening of the trade to the nation at large, when, in fact, along with their Charter, all their claims of right will expire; and it will be for Government to grant, and not the Company to cede.

In the resolution of the General Court, of the 2d of April, 1812, they state, "that
 "now to be called upon to part with an un-
 "defined portion of trade, thus establish-
 "ed, and maintained hitherto at their sole
 "expence, without any consideration for
 "the same, seems to them wholly *inequit-*
 "*able*;" a declaration which, I really think, might as well have been omitted. The chief reason assigned, by the Directors, for refusing their acquiescence in the proposition of his Majesty's Ministers, was the dread of smuggling, and, thereby, injury to the China trade; and there the negotiation once more broke off. On the 27th of November, 1812, my Lord Buckinghamshire again declared it to be the intention of his

Majesty's Ministers, to discuss and settle the Charter, if the Court were prepared to agree to the imports from India being extended to a limited number of the out-ports.

An earnest desire appears to have existed on both sides to settle, if possible, all differences; and, in order that neither party should be under any restraint, or bound by what should pass at these conferences, it was agreed upon, on the 2d of December, that no minutes should be taken, or report made by the Secret Committee of the Court of Directors, until the President of the Board of Controul should, after knowing the real sentiments of the Court of Directors, by their Chairman, at these conferences, consult with his Majesty's Ministers, and report, in writing, their final determination on a reconsideration of the point at issue.

The Court of Directors, however, without waiting for the written communication of the sentiments of his Majesty's Ministers, as had been agreed upon by their Chairman on the 2nd of December, came to the following unanimous resolution on the 18th of December:

"The Committee taking into considera-
 "tion the present state of the negociation
 "with his Majesty's Ministers, for the re-
 "newal of the Company's exclusive pri-
 "vileges, deem it to be highly important,
 "that the sentiments of the Court of Di-
 "rectors, upon the proposition brought for-
 "ward for admitting the imports from In-
 "dia to the out-ports of this kingdom,
 "should be unequivocally known.

"The Committee therefore recommend
 "to the Court to pass a resolution, stating,
 "that the proposition in question is, for
 "various reasons already set forth in the
 "Court's writings, pregnant with ruin to
 "the affairs of the Company, inasmuch as
 "it would render them incapable of per-
 "forming the functions allotted to them,
 "as well in their commercial as in their
 "political capacity; and that the Court
 "cannot therefore, consistently with their
 "duty to their constituents, recommend to
 "them the adoption of such a proposi-
 "tion."

And the same was directed to be laid
 before his Majesty's Ministers without
 delay.

It was possible that Earl Buckinghamshire might have been satisfied with the arguments used at the conferences, by the Chairman and Deputy against the measure, and might have yielded to the wishes of the Court ; in which case no resolution would have been necessary, unless that the unanimous and premature resolution was meant as a kind of defiance to the Ministers to make known the united determination of the Court, or as a threat to induce them, perhaps, to yield, rather than meet the opposition of so powerful a body. It appears to me that they might, without any serious injury to their cause, have delayed their resolution for a few days, until they had received the written result of the Ministers' deliberations on the subject.

It was on this part of the correspondence that I before hesitated to approve of the conduct of the Court of Directors ; and I have not, after careful consideration, been able to view it otherwise than a breach of the engagement made by the Chairman with the Earl of Buckinghamshire, and a threat of hostility to the Ministers if they persisted in the proposition.

It is impossible not to view the correspondence as virtually at an end from this period, unless the Earl Buckinghamshire should consent to yield to the views of the Court of Directors ; for, in their resolution of the 18th of December, there is no medium left in the chance of their determination being changed by any explanation or reasons which Earl Buckinghamshire might have to offer. Earl Buckinghamshire's proposition, of extending the imports to some of the out-ports, is stated by them "to be pregnant with ruin, and therefore they cannot recommend their constituents to agree to it." I have been thus particular in calling your attention to this part of the correspondence, because, at the last General Court, his Lordship was accused of having given the Court only the alternative of complying, or not, with his proposition ; whereas, it was the Court themselves who first threw down the gauntlet.

Well might Earl Buckinghamshire, in his letter of the 24th of December, express his surprise at such proceeding on the part of the Court ; and I fear there are few who will think that their subsequent explanation

was in any degree satisfactory. I could have wished that such an explanation had never been requisite. In that letter, Earl Buckinghamshire urges the principle,—
 “that the merchants of this country have a
 “substantial claim to as much liberty of
 “trade as they can enjoy, without injury
 “to other important national interests, cannot be departed from ;” and his arguments in support of that principle, and explanation of the reasons which had induced him and his Majesty’s Ministers to change the opinion they had formerly entertained when the first arrangement was proposed, appear to me to be able, and perfectly satisfactory.

The situation of the Minister ought to be taken into consideration ; and, being an umpire between two parties, his conduct is to be equitably weighed ; and, with the magnitude of the trust with which he is charged, some allowance, if he should appear to be too firm, ought to be made for the attention which he is obliged to pay to all claimants. In this case no charge can be brought against the Minister for attempting to increase his patronage, as none of the changes as yet proposed would give

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him any; nor ought it to be supposed that he has any inducement or motive beyond that of strict justice;—he cannot have an improper reason for wishing to give to the out-ports a portion of that which the port of London has an exclusive right to.

Much fault has been found with Earl Buckinghamshire, that, in his answer to the Court, he has not entered into long details, in explanation of the reasons which induced his Majesty's Ministers to change their opinion, and that he has only offered *sentiments* in answer to *able and strong arguments*; but I have perused the letter of the 24th with attention, and am satisfied that every objection urged by the Court of Directors is refuted in the most clear and distinct manner, so as not to be misunderstood.

It ought to be recollected, that the Court had tacitly agreed to the opening of the trade from London and the out-ports, in regard to the outward-bound voyage, and to London only in regard to the imports, in the confidence that such regulations should be established by Government as would guard against those dangers with which their territorial possessions and

power in India might be threatened by the change; and the only objections the Court have offered, or can offer, against the extension of the imports to the out-ports, are smuggling, and consequent loss of revenue to Government, and loss of profits to the Company on the sales of tea, and in the use of their warehouses. Earl Buckinghamshire has explicitly informed the Court, that, in the opinion of the Commissioners of the Boards of Customs and Excise, and of others perhaps as well versed in the knowledge of these matters as the Directors, there is little fear from smuggling, and, at any rate, to a much smaller extent than the Court have imagined. He also adds, that, if found necessary afterwards, it could be further prevented by new regulations and laws to meet the mischief. As that was the only objection strongly urged by the Company against the participation of the out-ports, and as it has been thus distinctly answered, there are many people, and I for one, who think that Earl Buckinghamshire was perfectly right in not entering into a long explanation with the Directors, about the

*The opinions of the Board of Customs
 & Excise instead of supporting the views
 Lord Buck: were in direct hostility
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interests of the London shipwrights, owners, merchants, dock companies, tradesmen, and establishments which they allude to in their Resolutions of the 5th of May, 1812; all of which, if deserving of compensation, ought to have that settled in Parliament, where every claim will experience liberality and justice.

It will be recollected, that when the London and West India Docks were to be established, the petitions against them were many, and the property and trades of thousands very much affected by the measure; but, in a great national undertaking, pregnant with advantage in numerous ways, these petitions and claims were not sufficient to prevent the Legislature from sanctioning their establishment. If on that occasion a liberal remuneration was given in all cases where *actual* injury was done to private property, I cannot see that, in the present case, there can be any objection to a similar settlement.

On these occasions the trade of individuals was infringed, and by acts transferred to others forming the companies or establishments; but, in the case of the out-

ports, it is only proposed to allow them a portion of that trade which has been for so many years, from public expediency or perhaps impolicy, withheld from them. It is but a claim of right and justice which they, as British subjects, demand, and which, I trust, the Legislature will now grant.

If the Court of Directors, instead of putting an end to the negociation by their resolution of the 18th of December, had inquired of Earl Buckinghamshire, whether, in the event of the income from the Company's warehouses and other establishments suffering considerably by the imports being permitted to the out-ports, the Government would have been inclined to afford remuneration; and had endeavoured to obtain some guarantee, for their stock and dividends, in case the changes proposed to take place should produce any defalcation; I should, and I think the Proprietors in general would, have been better pleased with their conduct in the negociation.

I should not trouble you so long on this point of the correspondence, if it had not been so much animadverted upon in a for-

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mer part of this discussion, and in a manner, as if Earl Buckinghamshire had acted with disrespect to the dignity of the Court of Directors.

If Earl Buckinghamshire had acted otherwise in this question, I should have been inclined to charge him with remissness, and neglect of that high and important duty which his office imposes upon him; for, to use the words of the late Lord Melville, "his duty is, to watch over the interests of the public, to take care that the important concerns of Great Britain, in regard to her Indian Empire, should be settled in the manner the most substantially beneficial to the extension of her commerce, and the improvement of her revenue." His Majesty's Minister appears to me to have acted with that object in view during the whole of the negotiation; and if, in the difficult situation in which he is placed, as an umpire between all parties, he has considered the claims of the out-ports of the kingdom, to a participation of Indian imports, as good and valid as those of the port of London, he is right in the line of conduct he has pursued;

and it would have been better, in my humble opinion, had the Court of Directors allowed that point to have been adjusted in Parliament, rather than have taken it up, and rendered it the bar to all further proceedings for the renewal of the Charter.

A great deal has been said about the Minister having, at one time, agreed to confine the imports to the port of London, and, afterwards, to extend them to the out-ports; but the cause of that change of opinion is distinctly assigned by Earl Buckinghamshire. It was natural for the public to take the course which it did; and which, as I shall show, it has taken on a former occasion. As soon as it was known, that the import trade from India was to be confined to the port of London, the alarm flew like wild-fire over the kingdom; meetings were held, resolutions agreed to, petitions were signed and sent to Parliament, and deputies from some of the principal sea-ports and manufacturing towns were dispatched to London, to obtain conferences with the Minister, and endeavour to avert so partial a distribution

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of the homeward India, to which they had equal claims with London. They stated the futility of outward commerce if they were denied the import trade to their own harbours, and the means of bringing the raw materials to the vicinity of their manufactories. Most of the import goods will be cotton and other raw materials; and it appears but fair that they should be allowed to land them near to where they will be wanted, rather than bring them to London, and from thence have to make a second voyage.

It is possible, as an honourable Proprietor (Mr. K. Smith) told us, that some (though I should hope but very few) of the petitioners for an open trade, and for a participation of the import trade, did not know what they were asking for; that they are ignorant of their own interests, of what will be advantageous or ruinous to them; and, therefore, the honourable Proprietor observed, that it was the duty of the London merchants, (I suppose), so much their superiors in information, so much more capable of judging what is proper for them, to watch over the interests, and to curb the

improper demands, of *these deluded people*. That same gentleman told us, that he had asked one of the petitioners to Parliament last session, what the objects were for which he had petitioned, and, in reply, was informed by the petitioner, that he really did not know; that he had attended a meeting where certain resolutions were read and agreed to; that he signed the petition because others did so, without knowing its contents. The honourable gentleman would from thence infer, that the prayers of the petitioners should not be granted, because they are asking for what they do not know, and what would ruin them if granted. We ought to be highly pleased, Sir, that such proceedings are not to be met with at the meetings of merchants and manufacturers in London, where every resolution that is moved, and every petition that is agreed to, are regularly discussed and perfectly understood in all their bearings, by every person present. Such are the happy effects of that superior information and good sense which the merchants and manufacturers of this metropolis possess.

I am perfectly satisfied, that many per-

sons will be disappointed in the expectations they have formed of an immediate great increase of the exports from England to India; but, I am equally confident that a gradual, though slow progress will be made by an open trade. I should suppose that his Majesty's Ministers, in consequence of the conferences with the Deputies from the out-ports, had been convinced, by satisfactory proofs, of the probability of that increase taking place both in exports and imports, and had therefore changed their opinion on the subject.

An honourable Director (Mr. R. Thornton) has told us, that he trusts the Deputies of the *iron trades* of Sheffield and Birmingham, will return to their constituents this year equally unsuccessful, in obtaining their golden dreams, as in the past. But, if Earl Buckinghamshire's letter of the 24th of December is to be attended to, I think it is very clear that the Deputies have not been altogether so unsuccessful as he imagines. I believe he will find, in the further progress of the negociation, (if there is to be any further progress), that the Deputies of the *iron trade* of Sheffield and

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Birmingham have, by their exposition of facts and sound arguments, so *steeled* the minds of his Majesty's Ministers, and so *tempered* them, that the *gay* and *gilded* arguments of the Honourable Directors of the *golden trade* in Leadenhall-street will make but little impression.

Great stress has been laid upon the letter of Earl Buckinghamshire, of the 4th of January, as being high and assuming, and offering only an alternative to the Honourable Court to adopt. An honourable Proprietor (Mr. Rigby) has told us, that "many would participate with him
 " in feelings of a still stronger nature, on
 " the perusal of Earl Buckinghamshire's
 " most *extraordinary* letter:"—that, "he
 " was astonished, and full of *alarm* and
 " *indignation*, to find any Minister in this
 " country *daring* enough to make such a
 " declaration, and in a certain degree to
 " upbraid the Company for assuming the
 " patronage of India."

I have attentively perused Earl Buckinghamshire's letter, and cannot discover any language or matter in it, that would warrant such an opinion to be enter-

tained of that nobleman in this Court; nor can I see any thing that deserves the title of *extraordinary* or *daring*. I regret much, Sir, that such words were ever used in this Court towards his Majesty's Minister, when, in my opinion, and I hope in that of every unbiassed person, the letter did not deserve it. I confess that I find in that letter a firm and manly language, expressing his Lordship's opinion in that clear and distinct manner which was necessary, after the alternative held out to his Majesty's Ministers by the *unanimous* resolution of the Court of the 18th of December; and I cannot see in what manner any further negotiation can take place, until there is some modification of that resolution.

The greatest objects are most frequently obtained by moderation and prudence, and I sincerely wish that a little more of both had been used in the present negotiation. If, Sir, it appears that there is nothing offensive in the language, let us consider whether there is any thing unusual or inconsistent in the conduct of those intrusted with the negotiation on the part of his Majesty's Government. This is necessary,

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questionably because the Ministers have been charged with shifting their ground, and increasing the number of concessions required from the Company; and, it is therefore said to be impossible to know to what further extent these concessions may be required.

Before we pass a hasty opinion on that point, we should know whether or not a course nearly similar was followed in the negociation in 1793 for the present Charter; and I think, the conclusion might be effected on the present, as on that occasion, with advantage to all parties, if we would carefully consider all the attendant circumstances.

The preliminaries for the renewal of the Charter, with increase of dividends to the Proprietors, and exclusive trade to China and India, may be considered to have been settled on the 20th of January, 1793; but the Court of Directors did not consider themselves authorised to declare so to the public, until the receipt of Mr. Dundas's letter of the 16th of February, when the outlines of the arrangement were published in all the public papers on the 17th, and approved of by the Proprie-

tors at a General Court on the 25th of February.

The trade of India had long been a subject of jealousy to the nation at large, and the proposal to renew the monopoly could not pass without opposition. Meetings were held; memorials were drawn up; petitions forwarded to the legislature; and deputies from Glasgow, Manchester, &c. were sent up to His Majesty's Ministers. The facts submitted in the Memorials, and the arguments offered to Mr. Pitt's and Mr. Dundas's consideration, by these deputies, were sufficiently strong and convincing to alter the opinions of these great statesmen, and induced them to think that the exclusive trade to India should not be allowed to the Company, but under such an arrangement or provision for freight as would enable the merchants to bring home, or take out, such manufactures or produce as might be necessary, &c. By letter of the 18th of March, 1793, to the Court, they informed the Directors, that they could not agree to recommend the renewal of the Charter, without provisions to that effect. The Court of Directors were high in their tone, and

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refused to accede to the propositions at first: they did not say, *that they would not recommend*, but that they would refer the question to the opinion of the Court of Proprietors.

In Mr. Dundas's letter of the 24th of March, in reply to the communication from the Chairman, he says, "I am not
" anxious about what their decision (the
" Proprietors) may be, being of opinion,
" that the grant of an exclusive com-
" merce to India is not very material to
" the interests either of the East India
" Company or the public."

And three days afterwards, on the 27th, he writes to the Chairman of the Court:—
" I am likewise free to declare to you,
" that I think the East India Company
" greatly overvalue the advantages of an
" exclusive trade."

" If I was obliged to give an immediate
" decision on so important a question, I
" should rather be disposed to think, that
" through the East India Company, as the
" medium of Government in India, and
" the channel of remittance from it, the
" purposes of the public may be served

“ without the aid of an exclusive trade.

“ By this I do not comprehend China.

“ I do not feel any grounds to depart
“ from the suggestions I have already made
“ to you.

“ The propositions I conveyed to you
“ are such as I think myself warranted to
“ recommend to Parliament.” And he concludes to the purport, that they, the Court of Directors, might accede to them or not, as he should be ready to meet them in the House of Commons on the basis which he had proposed, or on any other which they might think proper to propose for their Charter.

I have carefully compared the course of the negociation of 1793 and 1808, 12, and find that, in both instances, the Minister has been obliged to change his ground in consequence of the petitions and conferences of the merchants and manufacturers of the country at large ; and, when I observe the manner in which Mr. Dundas answered the objections of the Court of Directors, I am satisfied that I do not go too far when I say that the language and

manner of Earl Buckinghamshire is the least offensive of the two.

We do not find, Sir, that either the Court of Directors, or Proprietors, were disposed to treat these communications with that stately and indignant air with which this Court are disposed to view the communications, of Earl Buckinghamshire, now before it; and I trust that, on a reconsideration, there will not be found any thing so offensive in the language, or unexampled in the manner, of the official correspondence, as to rouse those emotions of indignation which prudence does not permit us to show in public. I think that the letter of Earl Buckinghamshire, all circumstances considered, is neither assuming, unexampled, nor unprecedented.

Under the second division, I shall take a view of the state of our commerce to and from India, at the renewal of the Charter, and of the expectations held out to the public. I shall then consider whether these have been realised; and if not, I

shall inquire to what cause the failure has been owing.

The loss to individuals in sending money from India to England by the Company's remittance, was so considerable before 1793, and so great a part of the fortunes of the Company's servants was absorbed in that way, perhaps 10 or 20 per cent, that bills from foreigners at par, or to an advantage, were preferred to those of our own Company with loss; and the amount of those fortunes, so remitted, was employed in carrying on trade from India to foreign Europe, to the manifest injury of Britain. One of the chief objects of the New Charter, therefore, was, by a trade of remittance, to afford an opportunity to all British subjects in India, to convey their fortunes, or any sums of money for the support of their families, to England, through English merchants, by goods in the Company's ships, instead of conveying them circuitously by foreigners, to the advantage of foreign nations and detriment of Britain.

The second object, as expressed by Mr. Dundas, in his Letter of February 16th,

1793, was, “ by a regulated monopoly, to
 “ ensure to the merchants and manufactu-
 “ rers the *certain* and *ample* means of ex-
 “ porting to India, to the full extent of the
 “ demand of that country for the manu-
 “ factures of this ; and likewise a *certainty*
 “ that, in so far as the produce of India
 “ affords raw materials for the manufac-
 “ tures of Great Britain and Ireland, that
 “ produce shall be brought home at a *rate*
 “ *as reasonable* as the circumstances of the
 “ two countries will admit of.”

The quantity of 3000 tons was allotted for that purpose ; and, it was understood, that every facility should be afforded to the British merchants to trade to that extent.

The amount of sales of the privileged goods of private merchants from India in 1793 was very small, only 181,710*l.*; but by the opportunity which was afforded by the regulations of the New Charter, and by the activity of the merchants, it gradually increased ; though, from many restrictions upon it, not so fast as it ought to have done.

The Court of Directors, in assenting to

the proposed extension of trade by the New Charter, intended that the trade should be strictly confined to a remittance trade from India; and that the merchants should not be allowed to draw capital from England in order to carry it on.

The reasons assigned, in support of their objection, were, that it would be drawing capital from England, where it might be better employed; and that it would interfere with the Company's trade. But the state of Europe, soon after that period, produced revolutions in states which influenced the mercantile world, and led to considerable changes.

The profits arising from the increase of private trade were considerable, and soon induced the merchants in London and India to draw capital from England to invest in the Indian trade. The declining state of the continental foreign trade, from the war in Europe, was extremely favourable for the British merchants; and might have enabled them, by degrees, to engross all that trade, as it fell from the hands of the European powers, if they had been allowed increased tonnage, and facilities in

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proportion to their means, and the demands of commerce.

The Company, however, did not concede those facilities ; and the capital of our merchants was embarked in carrying on trade from India to America, Lisbon, and Copenhagen, under foreign colours, and gradually increased until, in 1797, it had become very considerable.

The seizure of the *Odin*, and several other ships under Danish colours, and the proceedings thereon, rendered the commerce under Danish, or other foreign colours, very hazardous to British subjects, and occasioned a great outcry from the merchants in India and London, that they were prevented from trading where foreigners did.

The numbers of the American ships, at first almost entirely laden by British capital, began to increase ; and Lord Wellesley soon foresaw the danger that threatened our commerce from the Americans, and the necessity of some alteration being made to enable the British merchant to keep the European market against them. He, therefore, in October 1793, permitted British merchants to trade to England, under

license; and granted every possible facility to them, with the view of driving the Americans, in some degree, out of the European market: and, had his plan been continued from that time, there can be little doubt that the commerce of the Americans would have been checked, and that they would not have been so great gainers by the Indian trade as they have been; nor would so great an outcry have been raised against the company, on the present occasion, for an open trade.

Very true

It is well known to most of you, that during 1799 and 1800, the clamour of the British merchants for permission to increase their trade to and from India, assumed so serious and important an aspect, that his Majesty's ministers were compelled to take up the question; and their negotiations with the Court of Directors ended in the adoption of eleven propositions for the future regulation of the private trade.

It was natural, that Englishmen should be grieved to witness foreigners trading to British India, and gaining great profits by its commerce, whilst Englishmen, and they alone, were prohibited from trading, although

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they asked to do so in such surplus articles only as the Company chose not to deal in.

It was grating to English subjects to see the harbours of British India filled with American, instead of English flags : and it is, I must say, disgraceful to the policy of such a state as England, who prides herself in being the first commercial nation in the world, to have tolerated such a state of things for so long a period as she has done.

By the public reports of the port of Calcutta, the following were the comparative statements of tonnage that left Calcutta for Europe and America in the years 1799 and 1800.

In 1799 and 1800, there sailed from Calcutta,

For England,	33 ships of 22,944 tons.
For America,	25 ditto of 7,416
For Foreign Europe,	16 ditto of 5,870
	36,230

In 1800 and 1801, there sailed from Calcutta,

For England,	24 ships of 14,275 tons.
For America,	27 ditto of 8,153
For Foreign Europe,	7 ditto of 5,070
	27,498

It is not possible for me to express, in

stronger, or more proper language, the state of the Indian trade in 1800, than was done by the British merchants in their Memorial to his Majesty's Ministers at that time; and, it is worthy of observation, that this very memorial, or a similar one, was signed by (I believe) many of those London merchants who have been lately petitioning for the continuance of the exclusive trade to the Company and the port of London.

These merchants, who for fifteen years past have been loud in their representations to the nation, and constant in their applications to the Court of Directors, for an increase of the private trade, and for such facilities in the carrying it on, as would enable them to draw to Britain that commerce which foreigners were so profitably carrying on, have suddenly renounced their former opinions, and joined in opposition to the extension of that trade which they so long, and, as I thought, so much to their credit, endeavoured to open. It may with justice be said, that they have been a constant thorn in the side of the Directors, goading them on to grant those facilities to the trade which they always declared would be

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more for the good of the nation at large, than for any immediate profit to themselves. The Directors, I am free to confess, were correct in their declarations, that those loud and clamorous applications of the Indian merchants were owing to selfish and confined views, and not arising from any considerations of general public good, as they always had strenuously affirmed; for, as soon as it appeared to be the intention of his Majesty's Ministers to afford a participation of this trade, which they had considered so profitable, to the out-ports of the kingdom, these merchants were seen amongst the *most forward* to move and *second* those resolutions in the Egyptian Hall, which are hostile to that liberal participation of the trade which is likely to be most advantageous to the nation at large.

To judge of the consistency of these gentlemen, it is only necessary to read what they state in their Memorial in 1800, viz.

“ That foreigners go into the British
 “ territories in India without restraint, and
 “ they export ships and goods at pleasure
 “ to their own country, and even to all the
 “ states of foreign Europe and America :

" whilst we, subjects of Britain, are desti-
 " tute of such privileges, restrained from
 " sending our ships to our own country,
 " deprived of freedom in our commercial
 " speculations, and, in territories belong-
 " ing to that country, are degraded below
 " the state of aliens: That the objects
 " we propose are calculated, directly and
 " greatly, to promote the benefit of British
 " India, and of the *sovereign state*, by in-
 " creasing the produce and exports of the
 " one, the *imports, duties, exports, and pro-*
 " *fits* of the other; the *shipping, navigation,*
 " *wealth, and strength* of both: That the
 " Company cannot take off all the export
 " produce of their territories, much of
 " which is now carried off by foreigners, to
 " the injury of the sales in Britain, and the
 " interest of *our country*, whilst the sur-
 " plus, not wanted by the Company, might
 " be brought by the ships of British mer-
 " chants to the river Thames, to the *entire*
 " *extinction* of that foreign trade." I have
 been thus particular, in answer to the obser-
 vation of an Honourable Proprietor, who as-
 serted, that every thing, that could be done,
 had been done by the Company during
 their Charter, to increase the trade to and

from India, and that therefore the exclusive trade ought to be continued. From that memorial, I think it clearly appears, that the Company did not, at any rate, permit the British merchants to carry on what they were incapable of doing themselves in the trade to India; and it is a fact of great consequence to the nation, as I shall prove afterwards, that, although Great Britain enjoys the exclusive possession of India, yet America has carried on a trade to and from India, not far short of that carried on by the Company, enjoying every facility which it was possible for them to have had in their own ports, whilst numerous impediments have been thrown in the way of the private British merchants, to check their commerce to England.

It had been found by experience, that attaching the commerce of individuals to the regular shipping of the Company, fitted out at a large expense, and connected with political and military operations, was totally incompatible with the interests of private trade. It might suit the political interests of the East India Company to carry on their commerce in vessels equally adapted for war and for the

carriage of goods, and to subject them to detentions and deviations for other objects than those of trade. In the attainment of these objects, it was possible they might find indemnification for the great charge they occasioned; but it was impossible that private trade could flourish under the restraints to which the conjunction of political and commercial objects gave rise.

The principal object of the eleven propositions was, to check the trade of foreigners to India, as well as to remedy the grievances of the private merchants; and, the expedient by which these objects were to be effected, was by introducing into the service a class of *ships*, less expensively fitted out than the regular Indiamen, *which should sail at all times in the fair weather seasons, and not be subject either to detention or deviation from political causes*, but be employed principally to carry the goods of private merchants.

Under this system the trade has been carried on since 1802; and we are now to consider, Whether, as your Honourable Chairman told us at the last meeting, every clause of these agreements has been fully

executed on the part of the East India Company, so as to have given a fair trial and proper opportunity to the British merchant in his endeavours to increase the trade to and from India? I am perfectly satisfied that the system has failed, and that the purposes of the private merchant have not been answered, whilst the Company have been put to a great expense; for it appears, that the loss by freights supplied to private merchants amounted in eight years, from 1802 to 1810, to the sum of 318,807*l.*: and if the whole period from 1795 be included, the total loss by freight will be 411,713*l.*; and it is to be recollected, that one of the principal objects of its establishment, namely, the distressing the trade of the Americans, has not been effected; but, on the contrary, it will appear, that their commerce has been going on progressively, and rapidly increasing from year to year.

It has been stated, that the trade to India cannot be extended further by the private merchants, because, out of 54,000 tons prepared by the Company in eighteen years for private trade in the outward voyage, only 21,745 tons have been filled up with goods

by the merchants ; but, I think that can be no criterion to judge by, as the merchants have alledged, and have satisfactorily proved, that the uncertainty, expense, and inconvenience attending the shipments of goods under the regulations of the Company, have been greater than the trade would bear. If I were to offer an instance of what might be done in the trade by an open and free traffic, I might cite the transactions of 1799 and 1800, although I am far from assuming that such a result could be expected, on an average of years, for some time to come, as I am satisfied that the quantity of goods was greater for that year than the demand would have required, the increased supply not having been brought to the market by degrees. In consequence of the permission given by Lord Wellesley, a great many ships laden from India brought a very large investment ; and, in their return voyage, from June 1799, to August 1800, twenty ships sailed from England, amounting to 14,955 tons burthen, and carrying out 613,247*l.* of goods, chiefly British produce and manufacture.

Such, I must acknowledge, may be con-

sidered as an extreme case, but surely sufficient to show the exertions that will be made in an open and unfettered trade.

Various complaints have been made by the private merchants against the Company's establishments both in England and in India, as having, by their regulations and system, thrown difficulties in the way of commerce; and there are some strong cases that I have heard, which would militate very seriously against the Company's right to the continuance of an exclusive trade; but, at present, I shall only mention those impediments which are explained and proved to us in the evidence taken before the Select Committee of the House of Commons, and published in the Appendix to the Fourth Report of that Committee. In order to enable those to form a judgment who have not immediate access to the Report, I have annexed such extracts from that evidence as will, I trust, bear me out in all that I shall advance as arguments, to prove that the Company, on their part, have not done all that they could have done. Vide Appendix A.

The gentlemen who were examined have

all been for years engaged in India commerce, in England or India, and are, I think, eminently qualified to give a correct testimony: it is only necessary in this Court to mention the names of Mr. Fawcett, Mr. Innes, Mr. Trail, Mr. Bazett, and Mr. Bebb, to be satisfied on that point.

The rate of freight, in a voyage so distant, must always be a very material item of the charges on the trade to India; and the more so, in proportion to the low price of the articles which are to be transported. From the improvement of the British cotton manufactures, the supplies of fine cloth have been gradually decreasing; and, although that decrease, and want of demand, have been attributed to the war, I am inclined to think that the competition of our own manufactures is the real cause. For my own part, I scarcely can look forward to any great increase of the imports of cloths from India into Great Britain, even after a peace; and, am therefore more anxious, that we should look to the means of supplying ourselves with gruff goods and raw materials for our own manufactures, and, if possible, to render ourselves independent of foreign

states for these supplies. In order to shew the consequence which every additional sum of 5*l.* upon the freight per ton, will have upon the price, I have annexed, in the Appendix B, a calculation furnished by Mr. Bazett to the Committee of the House of Commons, from which it will appear, that the rate of freight alone may operate as a bounty or prohibition upon the importation of raw and bulky articles. It is impossible that the freight by the ships employed by the Company should, from their expensive outfit and establishments, be at the lowest rate at which the commerce could be carried on ; and Mr. Woolmore explains in a very satisfactory manner, that the delays and deviations amount nearly to one third of the time, and, consequently, add one third to the rate of freight. The nature of the management of a great Company, the necessity of rules for the purpose of regulating the mixture of commerce and politics, the delays thence arising, must be paid for by an increase of freight. In 1792 the freight on the ships was 19*l.* out and home, viz. 5*l.* out, and 14*l.* home ; but it has been gradually increasing, and in

1808 & 9 it was 9*l.* out, and 27*l.* home, and in 1811 it was 25*l.* 6*s.* home in the extra ships, and 32*l.* per ton in the regular ships; but, in the regular shipping, it has been so high as 54*l.* a ton, including demurrage; a charge which few articles in trade can repay. The merchants think that they could provide freight at 20*l.* a ton, out and home, even during war, if the ships were under their own controul; and the difference of freight, therefore, at that rate, would often be a sufficient profit on the goods exported.

The extra ships were to have sailed in the fair weather seasons, and without being liable to detention of any kind, except from convoys and weather; whereas, they have often been delayed for many months, and in some years the greater proportion of them have been dispatched out of season, and not in the proper time, by which a great increase of the expense in tear and wear, and insurance, and risk of damage of the cargoes, and loss of time, have been incurred. I will not venture to say positively, that the dispatching of so many fleets out of season has led to the melancholy losses which the fleets from India have experienced of late years, though three of the ships lost were

dispatched out of season ; but every person who passes the Cape of Good Hope homeward bound, at the improper season, has reason to regret the non-observance of that part of the regulations. This is a matter which will deserve the serious consideration of all those who may be employed in that trade hereafter.

By a statement which I have seen, of 70 extra ships, which left India in the years 1806, 7, 8, it appears that 37 left India after the 1st of March, when the unfavourable season begins, and that 33 were dispatched at different times of the fair weather season. Out of a list of 46 departures from England to India, it appears that 25 left port after the middle of June, which is considered, by those gentlemen best informed, the commencement of the improper time.

It has been stated by those who contend for the continuance of the present system, that, in most of the deviations and delays of the extra or other ships of the Company, for political purposes, the Government and the public have been benefited, as in the expedition to the Cape and other places ; but surely it does not appear just, that the

merchants having cargoes on board these ships should suffer so very materially by an operation, the expense of which the whole nation ought to defray. The merchants in India have often, by these deviations, been disappointed in getting freights for their goods to England, at the rate of freight of the extra ships, and been obliged either to ship the goods in the regular ships, and pay the enormous freights, or allow their goods to remain in India for another year. In several seasons there has scarcely been an extra ship to leave India, in the regular or fair weather season; and sometimes, after the goods were shipped, the vessels have been detained for a long time, or sent round to other places to fill up their cargoes, attended with the loss, perhaps, of the season.

By these deviations, much loss and inconvenience have arisen in the payment of bills, which are in general drawn payable after six or eight months sight, and would allow sufficient time for the goods to be sold and realised to answer these bills, if the ships were to sail and proceed direct to England or India, as they ought to do;—

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the credit of the merchant is endangered, and much loss may result from these irregularities. Such proceedings cannot be considered safe by commercial men. (Vide Appendix C, for the opinions of Mr. Millet and Cotton, Directors of the East India Company, as to the extent of deviation and delays, with consequent expense to the Company, which have taken place on the private trade in the extra ships.)

By a statement which I have seen, it appears, that during the six years from 1803 to 9, the whole of the freight received by the Company from private merchants, for extra ships, (which ought never to have been detained,) was 636,707*l.* and that the sum paid by the Company to the ship-owners for demurrage, was 296,040*l.* in that time, showing a detention of one third of the time. By this the merchant not only loses interest upon his goods, and perhaps a market, but the country is deprived of one third of the returns of its productive labour and capital on every vessel employed in the extra shipping; a point of some consequence to the nation. The merchant, if left to himself, does his utmost to avoid

demurrage, and it is by unavoidable accident if he pays it. The time allowed by the charter-party for loading the ship, is fully sufficient; the merchant has the cargo ready by the time the ship is prepared to receive it; she sails as near the appointed time as the weather and convoy permit; she makes no delay in the voyage to her destined port, but what the weather occasions; she is unladen, reloaded, and sails again as soon as the circumstances of the trade admit; but with the Company, all these details are but of minor consequence, and those, connected with them in any way, must suffer.

The heavy custom-house duties levied upon English manufactures and produce, on their arrival in India, and the irregularity of those duties at the different presidencies, have operated against the British exports. By the Appendix G, the rates of duties at Bengal in 1812 will be seen; and if the market there should be overstocked, and the merchant wish to send the goods to Madras or Bombay, he had formerly, and perhaps still has, to pay duties upon them at each of these places, every time he ex-

ports or imports them, although he had once paid them. The rate of $6\frac{1}{4}$ per cent. on the invoice of all woollens, and $12\frac{1}{2}$ per cent. upon the greater number of English goods, would, of itself almost, be a sufficient profit to the merchant exporting them, and some modification of these duties will be necessary to assist the exporter.

The merchants complain against the Company for not providing tonnage, to enable them to ship goods at such times as they have applied for it, and, in the evidence given, different cases are mentioned, not of trifling quantities, but to the amount of some thousand tons at a time. Weeks and months, and even a whole year, in one instance, has been lost in that way.

They also complain of the unseasonable time at which they are obliged to make the application for tonnage from India, being in the month of September, before they can know the exact quantities of the produce; and that they often have goods which they are unable to ship for England, and are obliged, rather than allow these goods to remain on hand for a year, to sell them to an American, who perhaps may grant

his bill for the same, payable in London, at such a date that he will have made his voyage to America, and remitted the proceeds to London, to meet his bill from India, adding thus to the wealth and strength of his country by British capital.

It will appear from the evidence, that the trade has suffered from the merchants not being allowed to assort their cargoes, so as to have in the market a portion of every thing suited to it ; that the produce of two years has often come to sale at one and the same time ; and, from the uncertainty on what ships the goods may be laden, the merchants are obliged to insure on " ship or ships," instead of particular ships, which is always attended with an increase of premium, and consequent charge to the adventurer.

I might detain you by the enumeration of many more real and serious causes why the private trade should not continue under the Company's management, as it has been ruinous to both the Company and the merchants, and injurious to the country.

In short, it appears to be of little consequence from what causes the difficulty

arises to the private merchant ; whether, it arises from the delays occasioned by Government, from the connection of the Company's commerce with its politics, or from any other source ; the consequences are equally ruinous to the individual, and injurious to the state. It is the natural effect of a system which removes commerce from the controul of the merchant, and makes it depend upon events, with which neither he nor his commerce have any thing to do. I should be sorry to attach blame to any of the executive departments of the Company for results which are consequent on the system itself, and which no exertions or ability could prevent.

It may be considered by some as of little consequence to enumerate all those impediments and sources of grievance, which have heretofore existed, to the British merchant in his trade to and from India, if the system is now to be altered ; but I would beg leave to call your particular attention to this point, because these difficulties are an answer to those persons who say that the commerce in exports from Great Britain cannot be *materially* increased by any

exertions of the British merchant, adducing as evidence for that purpose, the little increase made during the late years. I say, that under such difficulties and expenses, it was impossible that the commerce could have increased more than it has done; and that, by the *entire* removal of them in future, a *very material* increase will take place both in exports and imports.

If then you could be induced to weigh fully the whole of the complaints on this head; and, if it should appear, that the voyages are rendered unnecessarily uncertain, and very much protracted and prolonged; if they are exposed to inclement seasons, whilst the freight is extravagant, and insurance raised beyond its just bounds; if the British merchant suffers, and the East India Company loses; if the nation is deprived of those resources of wealth and strength which India ought to produce; and, that the Americans are the only people who prosper by the present system; I hope it will not be deemed unreasonable in me to express a very decided opinion, that the Legislature ought not to suffer such a system any longer to continue; but, under a new sys-

tem, endeavour to avoid all these evils, and render Great Britain the emporium of Indian commerce. As she has expended her blood and treasure to acquire and maintain these possessions, it is but just she should derive all the advantages possible from them ; and these will be in a great measure, I hope, insured by an open trade : to which division of the subject, I shall next proceed.

It is not enough to say, that the trade to and from India has increased under the Company during the period of the present Charter ; I am anxious to state, and to prove, that its great increase has taken place, notwithstanding all the restrictions of the Company's government and system, solely, by the enterprise and zeal of the private merchants. I am therefore desirous that every unnecessary impediment which has heretofore retarded commerce, should in future be removed from the British merchant ; and that the trade should be *laid open*, under proper regulations, in order to admit the full play of British capital and commercial activity ; which will add wealth to our own country, and stimu-

late the productive powers of our vast possessions in India.

It would be wasting your time to offer any remarks upon the impolicy of that government which imposes restrictions upon any branch of its commerce, particularly, upon a trade where we have the free and active competition of the Americans to meet, in order to secure the supply of the European markets. The question is not, merely, whether the Company or private merchants shall carry on the trade to and from India?—but whether, by any existing impolitic regulations, Great Britain is to allow foreigners to carry on that trade, to their aggrandizement and our loss?

By a free and open trade, unshackled with any unnecessary restraints on British merchants to and from India, various advantages of a most important nature will, I trust, be obtained.

We shall experience not only an increase of exportation of the produce and manufactures of Great Britain to India; but an increased import also of various raw materials for our manufactures, and for the supply of Europe and the western world,

attended with a diminution of the trade and marine of the Americans, and a proportional increase of our own.

There is much difference of opinion as to the probable increase of the exports from this country to India ; I have the firmest belief that an increase will take place, though not perhaps with that rapidity, or to that extent, which many persons in England sanguinely look for.

The domestic utensils and clothing used by the natives in the East differ so widely from our own, that little extension of the export of those articles used by us can be expected from them ; but, by the attention of our traders to point out, and of the manufacturers to prepare, the particular description of articles which are most in demand and use amongst the natives, it is extremely probable that in a short time, if the prices become at the same time as low as may reasonably be expected from an open trade, a considerable increase in the articles and quantity of the exports will take place.

Some people, referring to the list of articles exported to India, in which few, if

any, new ones appear to have been sent out during the last twenty years, would thence conclude that no new ones can be sent in future; but they ought to consider that, heretofore, the difficulties of even making the trial, or preparing articles suited to the habits and uses of the natives, have been the bar to all increase. The belief that the prejudices of the natives were against the use of our manufactures has been set aside by many, but particularly by Mr. Henry Colebrooke, who gives an extract from the words of Menu, *that all things are undefiled from the shops.* Consequently, a pair of scissars, a brass pot, carpenter's tools, or woolen cloths, if suitable to their habits and wants, and cheaper in the wear and use than those of India manufacture, will become articles of export from this country. Much has been said by some people to make us believe, that what was hitherto considered as Mr. Colebrooke's opinion, is in reality only the joint opinion of him and Mr. Lambert, who was a merchant of great experience in the Indian trade, and intimately acquainted with the natives of India. The joint opinion of these two gentlemen, *None of*

the joint opinion: The opinion of Mr Lambert only as Mr Colebrooke has himself stated in the Preface to the 2^d Edition of the work.

then, is, “ that if the articles were adapted,
 “ in the manufacture, to Indian use, and
 “ the price reduced (as by the powers of
 the private dealer it would infallibly be),
 “ the consumption would descend from the
 “ middle even to the more numerous
 “ classes. Considering the greatness of the
 “ population and the disposition of the
 “ natives to use European manufactures,
 “ it cannot be doubted that a great vend
 “ may actually be found for British manu-
 “ factures, if imported on reasonable char-
 “ ges.” And, if the expedition and econo-
 my of individual enterprize be allowed
 their free operation, with a diminution
 perhaps of the duties of customs of $12\frac{1}{2}$ per
 cent. which are levied in Bengal upon the
 invoice prices of the greater number of
 articles of English produce, I think we
 may with sanguine hopes look forward to
 an important *increase*.

In noticing the probable increase of the
 exports of woollens, it should be recollected
 that the field or scope for the consumption
 of that article has been enlarged of late
 years to a very great extent, by the annexa-
 tion of the ceded and conquered provinces

in 1801 and 4. It is rather a subject of ridicule with many gentlemen to speak of woollen cloths coming into general use in so warm a country as Bengal; but, to those who have been to the northward of Allahabad and Agra, where the air is cold enough to produce ice during several months of the year, such an opinion will not appear absurd. Every gentleman who has been there, for one year only, will know that English woollen cloths would be generally worn if the prices were not so high; and, that many of the rich men have, of late years, substituted English superfine cloths, instead of the expensive Cashmire shawls. Indeed it is well known that the importation of shawls from Cashmire into India has been much diminished of late years, owing chiefly to the cause I have mentioned.

I have seen several Maharatta and native Chiefs with winter dresses of English superfine cloths; and, among the Seiks and northern nations, where woollens are worn, there will be an opportunity for a great consumption, if the prices shall be moderate.

Judging from my own experience, and

the concurring testimony of others who have been in the country, I have already expressed my hopes that the exports would increase ; and, by the evidence laid before the Select Committee of the House of Commons, there can be but little doubt that it will bear a proportion, though small, to the increase of the imports from India.

Unwilling, however, to rest an opinion, as to the probable increase of exports, upon the bare theory of any man, and considering the opinions of those, who oppose such an expectation, as deserving serious attention, though not implicit reliance, I have referred to the experience of the last sixteen years ; and, from the books of the reporter of external commerce of Bengal, I think I am enabled to oppose facts against opinions ; and, when these are stated, I shall leave this Court and the public to judge how far dependence ought to be placed upon them as proofs to support our reasonable hope of a future increase.

I am borne out by the experience of the past sixteen years, though I acknowledge that the proportion of exports from India to England has much exceeded that of the imports to India, whether we take the

average of the whole period, or for different times.

By reference to statement D in the Appendix, it will be seen that on an average of four years, ending 1798-9, private British merchants imported to the amount of $18\frac{1}{2}$ lacks of rupees, or 185,000*l.* sterling, into Calcutta from London; that the average of the following three years was 41 lacks; of the two next years, ending 1803, it was $44\frac{1}{2}$; and in the year 1807, it had increased to 65 lacks, or 650,000*l.* being an increase of three and a half times the amount in value of British produce in ten years; which is a proof that the consumption is not altogether stationary, as some persons have affirmed.

If I take the average imports into the whole of India from London from 1802, the time when the offices of the reporter of external commerce were established at the presidencies of Madras and Bombay, it will show $218\frac{1}{3}$ lacks, yearly, for the years 1802, 3, and 4, of which private merchants imported $77\frac{1}{3}$ lacks, and the Company the rest. The average of the three following years is $241\frac{2}{3}$ lacks, of

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which private traders brought $89\frac{2}{3}$, or an increase of $12\frac{1}{3}$ lacks by private traders above the three former years. I have no subsequent return by which to make a comparison, nor do I wish to draw my statements from any other documents than those which have been printed, and may be easily referred to by any person who is anxious to satisfy himself of the correctness of what I state.

It is rather singular to notice the different sentiments of the Directors at different times, as to what India is capable of supplying to Great Britain in materials for manufactures, &c.

At one time, British India is stated to be able to supply, by the fertility of its soil, almost every thing that can be wanted in England ; and, at another time, that its supplies are confined to cotton and indigo, or one or two articles which are already, they tell you, arrived almost at the *ne plus ultra*. India is, at one time, called the jewel of Great Britain, on the possession of which her safety and glory depends, and for the obtaining possession of which Buonaparte would have sacrificed almost every other

consideration. At another time we are told, that India drains England and Europe of specie, and, that it is impossible to increase the exports from England, or imports from India, in any *material degree*; that India has been advantageous to all the nations connected with her, in as far only as they were *carriers* of her produce to different parts of the world: and these gentlemen, at the same time, tell you, that little, if any, injury has been done to Great Britain by allowing the *Americans* to have engrossed, as *carriers*, one third of the whole commerce of British India for years past.

As I do not consider that a fair opportunity or trial has, as yet, been given to the export trade from this country to India, I think we may be allowed to reason upon the chance there is of an increase, from what has taken place in the exports from England to China. In 1793 the total amount of British woollens and metals imported from England into China was 629,169*l.*; and at that time, if I am rightly informed, the almost universal opinion of the Court of Directors, and others versant in the affairs of China, was, that no *material* increase of

these exports could take place by any exertions of the super-cargoes or Company. It will not, I suppose, be asserted that our embassy to China was attended with the result expected from it, or that the increase of exports of cloths has been owing to any concession granted in consequence. The Chinese were thought to be a people who could not be brought to alter their customs, or to use articles of English manufacture beyond a certain extent ; and, it was feared, that the China trade would continue to be a heavy drain of bullion from England, for the purchase of our annual investments of tea, &c. : But, without being able satisfactorily to account for it, we know that the fact, no less surprising than satisfactory to England, was, that in 1803 the amount of our exports of woollens and metals to China had increased to 1,321,813*l.* which, with a supply of 500,000*l.* in cotton and other articles from India, had been more than sufficient to purchase the whole of the investment for England, and had rendered any supply of bullion from England unnecessary.

I hope I may be allowed here to mention,

that the annual saving of 500,000*l.* sterling of specie from Great Britain, was effected in a great measure by the Marquis Wellesley, who proposed and carried into effect the plan of supplying China with manufactures or produce from India, in order to save the bullion annually sent there from England ; and that operation is in its result, I think, as much to the honour of that nobleman's superior abilities in commercial finance, as the policy he acted upon in India, is a proof of his great political wisdom and foresight.

It may be worth notice, that the exportation of British produce to China has been increasing for many years, as we find that in the eleven years from 1781 to 1791, both inclusive, the average yearly amount of British produce sent to China was 312,072*l.* and 395,638*l.* of bullion ; that there has been a regular increase up to the present period, or an average export of British produce, for 17 years, up to 1808-9, of 938,084*l.* ; and that no bullion has been sent since 1805-6.

In the eleven years from 1781 to 1791, both years inclusive, the average amount of Company's exports of manufactures,

metals, and stores to India, was 363,312*l.* a year ; and, the total of 11,554,218*l.* of goods and stores sent to India, will give the average exports, for the seventeen years from 1792 to 1808-9, at 679,659*l.* a year, being double that of the former period !!

If, therefore, so great an increase of the exports of British produce has taken place to China and India in so short a time, we ought not hastily to adopt the opinion, that, to a country such as British India, with forty or fifty millions of inhabitants, our exports are to continue stationary.

Although labour is cheap in India, yet the superior art of our workmen, and the assistance of our machinery in almost every branch of manufacture, give us so vast and decided a superiority over India, that, it is almost an insult to the energies of the English nation, to persist in the opinion that our merchants and manufacturers will be unable, in some degree, to suit our produce to the wants and necessities of the different nations in India. We are told that the Americans carry out but few manufactures, and that their doing so is a proof of the impossibility of the further extension of our exports ; but they are not

a manufacturing nation, and can only take out those goods of our country which are not suited to the natives of India; besides, as the Americans have no establishments in India, they cannot retail their goods, but generally sail against time.

It has been urged that the captains and officers of the Company's ships seldom make any profit by their investments of British goods to India, although they do not pay freight; and that circumstance is adduced as a strong proof that the export trade will not answer to the British traders if the trade is laid open: but, it ought to be recollected that the captains and officers have not an equal chance of selling to a profit with merchants who are settled in India, and who have it in their power to send to England for what goods they want. The stay of the ships in India being but short, they are obliged to sell the whole on their arrival, or soon after, at any price the markets may offer, instead of disposing of their goods slowly, and waiting for a market, as a resident merchant would do. Alterations in the destination of the Company's regular ships, and their detention for political pur-

poses, have always rendered the trade of the captains and officers uncertain and often a losing concern. It is also well known, that great portion of the goods which the captains and officers sell to the merchants in India, are often retailed at 100 per cent. above the prime cost; or if, on the outward cargo, the merchant should lose a little, he will try to make up his loss by the homeward voyage, which the captains seldom attempt to do; but which, if we are to judge from the prices paid at the sales for the Company's goods in England, the merchants will be enabled to do. It appears that the total amount of the invoices of the Company's investments from India from the year 1792-3 to 1808-9, was 25,407,099*l.* which sold in England for 44,841,680*l.* being about 77 per cent. advance upon the prime cost; from which, however, the charges of agency, insurance, freight, &c. must be deducted, and yet will leave a good return to the merchant. I have not the smallest doubt, but that, combining both the out and home cargoes, a careful merchant will make the adventure profitable.

The advocates for continuing the exclusive trade to the Company, also support the position, "that no *material increase* of imports from India to Britain can take place by an open trade;" and this is the opinion of an Honourable Director (Mr. Grant), whose abilities and zeal for the interest of the Company are as well known, as his intimate knowledge and local experience of Indian affairs render him conspicuously able to give an opinion on the subject. Supported by him and the Directors in general, the refutation of such an opinion can only be effected by aid of facts, the result of experience. I shall therefore endeavour to offer such documents as will, I trust, enable this Court and the public to decide between me and the Honourable Directors on this point. The document which I offer is abstracted from the return laid by the East India House before the Select Committee of the House of Commons, and is the best authority to which we can resort.

It appears, from statement E, in the Appendix, that the amount of sales of the goods of private merchants, at the

India House, in 1793, was 181,710*l.* or nearly one thirteenth of the Company's imports; and, by the permission given by the Charter of 1794, to carry on a remittance trade from India, the amount, in 1798, had increased to 881,662*l.* or about one-fifth of the Company's trade. By the subsequent permission given by Lord Wellesley to the merchants in 1799, 1800, to import into England, in their own ships, (as free from restraints as licences would allow,) the amount of private sales was raised in 1800 to 1,747,139*l.* being nearly equal to one half of the Company's imports. In 1802, the private merchants goods sold for 2,586,581*l.* being 270,197*l.* more than the whole of the Company's investment! During the subsequent years, the amount of sales of the goods, both of the private merchants and the Company, varied considerably from year to year; and, in order to show the fair increase in sixteen years, I have taken the average amount of sales for that time, by which it appears, that on an average of sixteen years sales, the Company's Indian goods amounted to 2,656,000*l.* yearly; and the average sales of the goods of private mer-

chants, for the same time, was 1,314,000*l.*; thus demonstrating that, by the permission given under the Charter, by the licence of Lord Wellesley, and the propositions of 1802, an actual increase of private trade took place, in the proportion of from one-thirteenth to one-half of the amount of the whole of the Company's investment. Taking the investments of the captains and officers separate from the private merchants and the Company, it appears, that in 1793 the sale amount of goods imported in their tonnage was 441,929*l.* and in 1809 it was 433,275*l.* : from which you will observe, that the amount of sales of the Company's and the captains tonnage was nearly stationary, or within a few pounds the same in 1793 as in 1809; whilst the trade of private merchants, by the permission they had received, does show, on an average of the sixteen years, an actual increase of 1,132,290*l.* per annum!

If it were necessary to show the increase of the imports from India, of private merchants, beyond that of the Company, by any stronger proofs, I would add that, from the year 1799 to 1809, being the first

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See Appendix
E.

eleven years that any very considerable facilities were afforded to the British merchant, the total amount of sales at the India House of the Company's goods was 26,185,349*l.*; and the amount of sales of the private merchants, 17,948,749*l.* being equal to almost two-thirds of the whole amount of the Company's investment!!

I have not the documents to bring the account down to the present year, but I suppose they would show a similar result.

It has been stated, that such an extraordinary *increase* by private merchants, whilst the amount sales of the Company's and captains goods have remained nearly *stationary*, is to the credit of the Company's government, and owing to its wise regulations. But, whilst I am compelled to acknowledge that the increase has taken place under the Company's government, I must, at the same time, declare that it has taken place, by every account that I have heard, much against the wish of the Court of Directors, who have been in almost constant opposition to the private merchants, and their interests, during the whole period.

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permission to the merchants, beyond the 3000 tons stipulated in the Charter, was not the right of, but has been a *boon* from the Company to, the private merchants, certainly to their advantage, and, for the good of the country; and, I should have been still more satisfied if that *boon* had been so much farther extended to have enabled them to have checked the rising commerce of America with India.

If, after the above statements of the actual increase of imports, through the energy and enterprise of the private merchants, any person in this Court can entertain the idea that the imports have arrived at the highest extent, and cannot be increased by a *free and open trade* in future; I will beg leave to state one or two instances of particular articles, whose rapid and astonishing increase (from freedom and facilities having been afforded to the private merchants) must induce this Court to think that it is very difficult to declare, at what period any article of imports, or the whole amount of the imports, have arrived at their *ne plus ultra*.

It may be recollected that the manufac-

turers of cotton, about 1807, became alarmed for a sufficient supply of the raw material to keep their manufactories at work, in the event of the differences with America terminating in war. America had, up to that period, supplied the greatest quantity of cotton with which our machinery was employed; and any stoppage of such an extensive and important branch of national industry would have been attended with most disastrous consequences. A Memorial was therefore presented by the manufacturers to his Majesty's Minister; who, in contemplating universal hostility against Great Britain, was obliged to look to our own colonies for aid and support. India, so fertile, and capable of affording almost every kind of supplies, was immediately looked to as the quarter from whence our manufactories were to derive their support. The Indian British merchants offered, I believe, to supply any quantity of cotton that might be requisite, if they were permitted to import it from India in their own ships, free from the controul of the Company, as to time of sailing, &c.; and the effects

of such freedom of conveyance has been great, and worthy of your particular notice. For, it appears, that in 1805 the total quantity of cotton imported into Great Britain from the whole world, was 59,682,406 lbs. ; of which quantity India supplied 355,493 lbs. or 1-168th part of the whole.

The quantity imported, in 1810, into Great Britain was 136,570,103 lbs. ; of which, by the licence given to private merchants, India supplied 23,144,907 lbs. being 1-5th and 9-10ths of the whole import ; a wonderful increase of from 1-168th to 1-6th of the whole ; the effect of unshackled trade, in one instance, upon a very bulky article from India.

We are informed, that cotton, to the extent of the wants of our whole manufactories might, if necessary, be supplied by India ; and I should be happy, in this way, to see our own colonies able to supply our wants in event of universal war against Britain, which, at one period, threatened us. It has been stated, that great loss has been occasioned by the importation of India cotton, and that

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about 40,000 bales, or twelve and a half millions of lbs. were remaining in the East India warehouses unsold. I believe that cotton can be imported from India, and if sold, by immediate sale for eight pence per lb. will give a profit to the importer. Some of the cotton, that has been imported at different times from India, has been sold for thirteen, fifteen, seventeen, and twenty pence per lb.; while some, certainly, has been sold for seven pence halfpenny; the necessary effects of a varying market.

The stock of cotton, of 40,000 bales, now remaining unsold, being only half of one year's import, is certainly not much at the present time, and there is no occasion that any part of that quantity should remain in the India House unsold for a week, if the time of the sales, or the will of the Proprietors, would permit; as the whole of that cotton did not cost more than from eight pence to ten pence per lb. delivered in London, and would sell to-day for fourteen or sixteen pence per lb. I cannot, therefore, think that the statement of the Honourable Director, of the quantity of cotton upon hand, will show either that

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it is a losing trade, or that it cannot be imported and sold to a greater extent.

A prejudice, or difficulty, as yet, exists amongst the manufacturers, against India cotton, which they appear unwilling to use if they can get American; which objections, however, I trust, will gradually wear away.

Another article, now one of the greatest staples of Indian exports, is indigo; which has increased more under the Company's commercial system, than other less valuable and bulky articles can do, as it will be seen that the rate of freight falls less upon it, than upon other less valuable articles, in the regular ships, when the saving of the difference of insurance upon regular and extra ships is considered. If 20*l.* per ton, freight, is assumed as the medium rate of private ships, the advance of 12*l.* 10*s.* per ton, or in all of 32*l.* 10*s.* charged in the regular ships upon indigo, would only be three per cent. upon its value; whereas it would be $14\frac{1}{3}$ per cent. upon cotton; whilst the charge of insurance upon private ships would be considerably more than three per cent. above the rate of premium on the Company's ships.

If, therefore, the uncertainty as to the ships, the delays, want of assorting, &c. in regard to that article, had not occasioned loss to the private merchant, the late system, as to freight, would have been a saving.

Much credit is most undoubtedly due to the Company for its attention and aid to the manufacturers of indigo after the loss of the American States to England; and, as owners of the soil, they have been well repaid for the money they expended upon it up to 1786; since which period, the culture and commerce has been exclusively in the hands of private merchants, and to them chiefly is its astonishing increase to be attributed. At different periods, the Company have made advances of cash to the manufacturers of indigo to assist them, in the same manner as Great Britain has, at times, afforded temporary aid to some of her colonies and manufacturers; but, as all these advances were paid by bills upon the sale of the indigo in England, at an exchange of 2s. 8½d. or 2s. 9d. per rupee, instead of 2s. 6d. or 7d. the rate of the day, the Company cannot have lost any thing by the transaction,

even including their risk of insurance. Great Britain, instead of being, as formerly, dependent upon Spain and her colonies, and upon America, for her supply of indigo, has now rendered the whole of Europe dependent upon her. In 1786, the quantity of Indigo imported into England from India was 240,011 lbs. and in 1810 it had increased to the enormous quantity of 5,570,824 lbs.—sufficient almost for the supply of the whole world: a strong corroborative proof that we ought to be cautious in forming an opinion as to the extent, or fixing a limit to the increase of our imports.

It may be asserted that the manufacture of indigo has been carried to the utmost possible extent; but, whilst the produce of former years has been sold, and the demand still continues, the present comparative small quantity, on hand in the warehouses, is not to be considered of any material consequence; nor will it remain for six months longer on hand, if the intercourse with the continent continues open.

Although it is a maxim generally allowed, that that colony or country is most useful to a state which takes off the greatest

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quantity of its manufactures, I am unwilling to admit that Great Britain ought to continue to pay annually a million sterling to countries under Buonaparte's sway for silk, if our own colonies can supply that article. The average import of silk, raw and thrown, into England (exclusive of the Bengal and China) has been, for the year 1807, 8, 9, and 10, no less a quantity than 1,064,500 lbs. a year; which, I hope and trust, Bengal will hereafter be able to supply. We, at present, are not able to meet the French silks and manufactures in the markets of Europe or America, because the price of the raw material is so very high in England: but if an increase, in any way proportionate to what has taken place in indigo and cotton, should take place in silk, the price would soon be reduced; and our machinery would enable us then to be, when compared with France, as superior and low-priced in the silk, as we are in the cotton, manufactures. Such an object ought not to be lost sight of by a nation which has effected so much, in opposition to all difficulties.

Perhaps tobacco, rice, and many other low-priced articles, may become of great con-

sequence by an open trade. If the wants of the state are sufficient to prevent the distilleries from using grain, it is a question, whether sugar should not receive as much encouragement as any other article, in order to meet the expenditure of the distilleries, which, with our export trade to the north of Europe, may soon so much enhance West India sugar, as to affect, very materially, the distilleries?

Within these two months past, so great a rise has taken place in the price of sugar, that the aid of India sugar may yet be requisite, and the duties upon it require modification.

If these are only a few of the advantages which the nation may derive from an *open trade* to India, let us consider some of the reasons assigned against it, and the dangers feared therefrom.

The Court of Directors, in their letter of the 13th of January, 1812, have told us, "that, in fact, the Indian trade, as an object of gain, has gradually ceased to be of importance either to the Company or to individuals;" and, "that of late the great staple of cotton piece goods has been a losing article in this country."

Mr. Bebb, one of the Directors, in his evidence before the Select Committee of the House of Commons, has stated that, for twenty years, he has considered the opening of the Indian trade in all its bearings, and thinks, that the Company have nothing to fear from competition, if the trade was laid open, but they can carry on their commerce cheaper than individuals.

After these testimonies, therefore, it was rather extraordinary to hear the Chairman state, that the Company could not lose the Indian trade without ruin to their finances, as it had been an important aid to enable them to pay their dividends. I had ventured to state that, in a pecuniary point of view, the trade to the Presidencies of Bengal, Madras, and Bombay, was not worth retaining, far less to quarrel about with his Majesty's Government; that if it had not been productive of loss, its profits had been next to nothing. But, I was then informed that the profits from that trade had been from 1 to 400,000*l.* a year; which during the nineteen years of the Charter, taking the Honourable Director's (Mr. Grant) own statement, would have been 3,800,000*l.* sterling in 19 years; certainly a

considerable sum, and capable of affording very important aid.

Differing entirely from the Honourable Director (Mr. Grant) on this subject, I shall afterwards endeavour to lay before this Court the data from which I have formed contrary conclusions, and it will then be able to judge between us.

The Chairman and Deputy, in their letter of the 13th of January, declare, that the trade to India is of little consequence; and yet, in the General Court, they state that it is of importance as an item of income. I am, by subsequent explanation, inclined to think they meant that the importance of the trade is only to be allowed, in as far as it is a link between Great Britain and her Indian possessions; and, if the opening of the trade could, by possibility, break that chain, I should pause before I entertained the plan for one moment.

The opening of the trade has been pronounced by the Court of Directors, in their letters of the 15th of April, and 30th of December, 1812, to bring into view “ questions of the last importance to the safety of “ the British Empire in India, and of the

“ British Constitution at home,”—“ a solemn subject for the country as well as the Company.”—Viewing the opening of the trade as likely to be productive of increase of our exports and imports, as I have already stated, and being of opinion that there is little, if any, danger to be apprehended from the opening of the trade under proper regulations, I shall, before I advert to these supposed dangers, take a view of the state of the commerce of foreigners with British India,—a subject of great national import.

Although the measure of a very great statesman, yet I have little hesitation in stating it as a measure of very doubtful policy, in Mr. Pitt, having by the acts of the 37th of George III. permitted an open unrestricted intercourse with India to the Americans, and other nations in amity with Great Britain ; and I fear the result has been at variance with the scope of our navigation laws, which were the source, and have been the supporters, of our maritime power and glory.

It has always been the policy of these laws to render the colonies of the British

Empire subservient to the power and aggrandisement of its parent state, by increasing its carrying trade, and adding to its maritime force ; to the depression of the shipping and maritime resources of all our rivals. There does not appear any just reason why India, which has cost so much British blood, should not be rendered equally useful to England, in proportion to its means, as other colonies are ; but, by a different policy, although the Americans have not had any possessions or settlements there, they have been deriving almost as much advantage from the trade of India, in the increase of their ships, sailors, and wealth as we have. By the comparative statement of the commerce from India, which I hold in my hand, (vide Appendix, D,) it appears that the United States of America, have for a considerable time past, carried on nearly one third of the whole trade from India and, consequently, will have bred up a third of those seamen which the trade employs, and proportionably have added to the wealth and strength of their country.

By the statement given in the Report of the Special Committee of Directors, of

the 27th of January, 1801, it appears that the Americans, on an average of four years, viz. 1795, and 6, 7, 8, and 9, had carried on one eleventh of the whole, or 19 lacks of rupees, or about 190,000*l.* sterling, of exports from Calcutta; foreign Europe one sixth, the private merchants a half, and the Company the rest.

The state of the continent of Europe had occasioned a decrease in the trade of foreign Europe with India, and the commerce of the Americans was increasing fast; the English merchants foresaw that the Americans would soon engross the supply of Europe, unless the Company should give to the British merchants those facilities to trade which were necessary to enable them to meet and undersell the Americans in the foreign markets; and their fears, then expressed, have been realized to a great degree; for, during the last ten years, their commerce with India, has been increasing gradually from one eleventh to one third of the whole; and, if the impolitic non-intercourse laws of America had not interfered, I fear that it would have continued to encrease.

The average of four years to 1798 was 19 lacks, or 190,000*l.* sterling, from Bengal to America, whilst private British merchants exported 60²/₃ lacks, or 607,000 *l.* The amount of exports by the Americans go on gradually increasing until 1806-7, when they exported 900,000*l.* and private British merchants the same sum, whilst the Company only exported 450,000*l.* sterling; being in that year much more than one third of the whole exports, and very near five times the amount of the average of their four years exports up to 1798!

But, to take the average exports from the whole of British India, in the three years 1802, 3, and 4, the Americans exported to the amount of 535,000*l.* whilst the Company exported 1,337,000*l.* and private merchants 1,270,000*l.* In the three years ending 1805, 6, 7, and 8, the Americans exported 850,000*l.* the private merchants 920,000*l.* and the Company only 953,000*l.*!

The subsequent interruption by America herself renders the following years deficient; but they, even last year, exported an amount nearly equal to that of private British merchants.

The export trade to foreign Europe and America from Calcutta, in 1798, amounted to 457,500*l.* of which America had only 190,000*l.*; but in 1806-7 it was 1,090,000*l.* of which foreign Europe had only 190,000*l.* and America 900,000*l.* The foreign Europe trade may be said to be extinct, as in 1810-11 only 27,000*l.* value of goods was exported to Lisbon.

As it appears by this statement, that England has been nursing the maritime power, and increasing the trade and wealth, of a rival and now hostile state, it becomes a subject of the greatest moment to the nation, if, by the extension of an *open trade* to British subjects to India, that danger and mischief can be prevented in future.

My Lord Wellesley, to whom the British power in India is more indebted for its consolidation and security than to any other man who has been there, was strongly impressed with the danger that threatened us from the growing enterprise of the Americans in India, and gave it as his decided opinion, that the foreign trade ought to be checked by granting facilities to the British trader.

In the 44th and 47th paragraphs of his

letter of the 30th of September, 1800, he states, that "it must ever be impracticable, "if it were justifiable or politic, by any restrictions or penalties on the trade of the *British subjects*, to prevent the increasing produce and manufactures of India from being conveyed to the markets in Europe. Such restrictions tend to throw the trade into the hands of foreign nations, and to enable them to supply the markets of Europe, which would otherwise be supplied through England.

"It is however doubtful, whether foreign nations (if the trade was laid open to British merchants) could be able to retain any considerable portion of the trade from India to Europe, were the British merchants permitted to avail themselves of their superior means of drawing the whole of the trade to England."

The evidence of the Indian merchants, before the Select Committee of the House of Commons in 1809, strongly confirm that opinion, as it regards either a time of peace or war, provided the foreign flags should pay extra duties on the exports from India.

The language which the British mer-

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chants used in their Memorial to Government in 1800 was strong and just: "That
 " the trade to and from India might be
 " permitted, under proper regulations, so as
 " not to risk the smallest inconvenience or
 " danger to the Company's possessions in
 " British India; whilst, by the present *pre-*
 " *posterous* system of policy of the Com-
 " pany, Great Britain is in danger of los-
 " ing the carrying trade, and the maritime
 " ascendancy she has obtained over other
 " nations."

These are the sentiments entertained by most of the British merchants, interested in the trade to India, in 1800, who have taken the alarm on the present occasion, and been so active against the extension of these advantages (which they were formerly so earnest to obtain) to the nation in general, or even to a few of the merchants of the out-ports.

Many persons are of opinion, that America obtained all the increase of her Indian commerce in her quality of neutral, and suppose that the trade would have been altogether lost if America had not carried it on: but, as a great proportion of the

Indian exports taken by the Americans were for the supply of other states, who could not have wanted such supplies, these states, if not supplied by America, would have received the goods from England by licences, or some circuitous or clandestine manner.

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I would ask, whether the neutral character has enabled the Americans to supply our West India islands with part of their Indian exports; or whether it is their neutral character that enabled them to undersell us at Gibraltar, Malta, and various places in the Levant? The Americans can sell these articles cheaper than our merchants can do under all the delays, expence of freight, &c. to which they have been subjected; and that is the true cause of their having increased their commerce.

*Yes dear
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part.*

When we consider the expedients which commerce discovers, and the extraordinary changes which it undergoes, as well as the various channels in which it is carried on, we ought not to fear that Indian articles, or British ones of nearly the same quality, would be dispensed with by nations who have for many years been in the habit of receiving them.

It is totally impossible for Buonaparte to prevent the nations on the Continent from receiving those things that are accommodated to their wants or even luxuries ; and, as those states which the Americans have supplied with Indian goods had long been accustomed to them, if they are unable to manufacture some substitute, they must ultimately receive the supply, either through England direct, or from her, by some other more circuitous and expensive channel.

I have prepared a statement to show how sudden, and to what an extent, the commerce of a country may change from the hands of the carriers, whilst those manufacturing, and those consuming the articles, suffer a comparative trifling inconvenience.

By the statement (vide Appendix, F) it appears that during the years 1805, 6, and 7, the amount of exports from England to the United States of America was twelve millions sterling ; and including the exports to the West Indies and South America, the total exports to the western world amounted to about twenty-three millions a year.

Upon the non-intercourse laws of the United States taking effect, the exports

from England in 1808 and 9 were reduced to five and seven millions, and the people of England were generally impressed with the belief that most of our manufacturers would be ruined by the loss of the American trade ; but the fact was otherwise, as the quantity of goods, which had not before exceeded eleven or twelve millions to the West Indies and the Spanish Main, &c. was in these years increased in a proportion equal to that of which the United States had fallen short; and the same demand, with little variation, has been continued for the principal manufactures of Great Britain, attended with this beneficial change, that Great Britain has exported in her own ships the amount of several millions of goods which America formerly exported to foreign nations ; and we gain, both as carriers and merchants, what the Americans formerly enjoyed.

From our experience in this instance, I am inclined to think that the same facility would have been found some years ago, and will now be found, to carry on the trade which the Americans possessed between India, Europe, and the Spanish Main.

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The Americans have, for these ten years past, supplied different parts of Europe, our West India islands, and Spanish Main with Indian goods, for which they were generally paid in bullion, which they carried to India to purchase new investments. If, therefore, by an *open trade* we can obtain the supply of these markets, we shall at once increase our national wealth and naval establishments, and depress those of our rival.

Having detained you so long with a detail of the advantages, in a commercial view, of a free trade to India, I shall now consider what the principal dangers to our political power are, which are dreaded by many people from that measure.

The intention of his Majesty's Government appears to be, not to disturb or destroy the Government in India, or annul any of the laws and regulations that have been found from experience useful, just, and proper; but to enact such further laws and regulations as the alteration in the commercial department may seem to require. His Majesty's Ministers, at the same time, propose to extend to British

subjects the same facilities and freedom of intercourse and trade, to some fixed ports of British India, as the Americans have, for many years, enjoyed to the whole of the Indian shores. If no serious mischiefs have ever occurred to the governments of the Company in India, from the intercourse of the Americans, is it reasonable or fair to suppose that any danger or inconvenience can arise by extending to Englishmen those advantages which Americans have had?

Serious danger is apprehended from the great numbers of Europeans who will go out in the ships that carry on the open trade, and that they will disturb the governments, and endanger the peace and safety, of our Indian territories.

No such fears can be entertained by any man who has a knowledge of the nature and efficiency of the Company's governments abroad, without, at the same time, acknowledging a deficiency in them which I know does not exist. For, as my Lord Wellesley says, in the 61st paragraph of his letter of the 30th of September, 1800, "the power of the Government over un-

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either of
feeling or
interest
between
Englishmen
& Americans*

“ licenced individuals is in full force, and
 “ is sufficient to prevent the perversion
 “ of an intercourse, regulated between
 “ India and England, to any sinister pur-
 “ poses, endangering the rights and pri-
 “ vileges of the Company, or the interest
 “ of the British Empire.”

It is proposed that the open trade should be carried on under the necessary regulations ; and when the total number of ships of 350 or 400 tons and upwards, which will go to India, is taken into account, the danger must be seen to be entirely chimerical.

With such an efficient establishment as we possess in India at every port, with a well disciplined army of upwards of 150,000 men, of whom 20,000 are Europeans, stationed in the different parts of our territories ; what fears can be entertained, if the ships were even armed and hostile, instead of being manned by our countrymen, and under controul ? For is it consistent with common sense, that a number of runaway sailors, admitting their numbers to be to the extent of the whole crews of the ships, can be productive of any danger or interruption to a government so well regulated and so powerfully protected ?

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 there is
 fear.

The China trade is to remain entire to the Company, and the line of ports to the eastward can be easily defined and limited, in order to prevent any interference with the Malays, and danger to the crews, which, from woful experience, we know does take place yearly to those best acquainted with their language and character.

The advocates against a free trade argue, as if the captains of the English ships would have a disposition to plunder and become pirates, and on a supposition that their crews will consist of a worse set of men than those who generally go out in the regular Indiamen; but, will any merchant entrust a 400 ton ship and cargo, on a nine, twelve, or thirteen months voyage, without being perfectly acquainted with the character of the captain, and being able to place the utmost reliance upon his prudence and integrity? The simple statement is sufficient to clear away all doubts on the subject.

Some are afraid that the bad moral character of the Europeans will contaminate the natives, or render the character of the Europeans debased; but every person who has seen a few regiments of Euro-

peans, or a few of the India ships companies on shore, will agree with me that a freer intercourse, or greater danger to the moral character of the natives, cannot arise from the crews or adventurers in the new set of ships.

It has been stated as a fact (by Mr. R. Grant), which we ought to bear in mind, that because, in the time of Lord Clive in 1759, very great irregularities were committed in India by private adventurers, that therefore we ought to fear similar irregularities in 1814, from the number of merchants going from the out-ports to India; but the fact has not been correctly stated, for it was not merchant *adventurers* who committed these excesses, but the *servants* of the Company, and their gomashitas or agents. The Government of the country was not then in the hands of the Company, as at present; and the native princes and their officers had not firmness to repress and prevent the irregularities of the servants of the English in their states. There is no kind of similarity between the situation at that period and now.

The restrictions and impediments which

have hitherto existed upon the commerce of British ships to India, have not been the real causes why the English have not gone to India, for they have had at all times the greatest facility of proceeding on board of American or foreign ships. But, it is the law which meets them upon their first arrival in any port of British India, (and at present there is no other port where they can land), which prevents them from going out. By the mere act of being found in a British settlement in India, they become criminals, are liable to be taken up and imprisoned, or sent as prisoners to Europe; and they may be punished by fine or imprisonment either in India or Europe. If an European is even allowed to remain in India, he cannot leave any principal town or station further than two miles, without having a passport from Government, or run the risk of being arrested by the police officers of the district, and carried to the judge, who will, if he has not a regular permission from Government, send him down to the presidency.

It may appear severe upon Europeans, however necessary in that country where European soldiers might desert and range

about, that there is a reward always paid by the magistrates to any person who arrests an European deserter; and in that manner it is next to impossible for any straggler from a ship to be at large for a single day in any part of the interior of the country.

If, by chance, any European or American should escape the vigilance of the police officers of the Company's territories, and reach the country of Scindia, Holkar, or any other Indian chief, from Cape Comorin to the Hurdwar, instead of his being able to excite disturbances, or do any mischief either to the Company's Government, or to the native Government where he may be, he will not be permitted to remain a single day without the express sanction of the British Government, or some of their public residents; for, by the 15th article of the treaty with Scindia, the 7th article with Holkar, the 8th with the Rajah of Berar, and, generally, with every chief with whom any treaty was concluded in the time of the Marquis Wellesley, there is an article, by which they engage not to keep or employ any European or American in

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their service without the Company's sanction. In order to satisfy the minds of those who view the intercourse of Europeans amongst the native chiefs in India with such danger, I would recommend their considering the purport of these articles, and to peruse the following 8th article of the treaty concluded between the Rajah of Travancore in 1805 and the East India Company, as an instance of the provision already existing there, to prevent the interference or residence of any European without the knowledge and sanction of the Company's Government.

“ His Highness stipulates and agrees,
 “ that he will not admit any European
 “ foreigners into his service without the
 “ concurrence of the English Company
 “ bahadur; and, that he will apprehend
 “ and deliver to the Company's Govern-
 “ ment all Europeans, of whatever des-
 “ cription, who shall be found within the
 “ territories of his said Highness, without
 “ regular passports from the British Go-
 “ vernment, it being his Highness's deter-
 “ mined resolution, not to suffer, *even for a*
 “ day, any European to remain within his

“ territories, unless by consent of the said
“ Company.”

If Europeans are allowed to settle and remain for years in the country with the sanction of the Company, they are unable, by law, to purchase any property, which prevents their acquiring any influence to endanger the Government.

It is not proposed, as far as we know by the correspondence, to remove these restraints ; they will remain in full force, as now, if the trade was laid open ; there cannot be any objection, that I know of, to further restraints being enacted, if there should appear any positive necessity so to do.

Some people express their fears that the natives will be disturbed when the trade is laid open ; that their religious prejudices will be interfered with ; that the new visitors will be guilty of acts of oppression and injustice against the natives ; by which means the peace of millions and the security of the Company's authority and Government will be put to hazard : but, those who have been in India, and know the strictness with which the conduct of Euro-

peans is watched, and the severity with which the smallest act of injustice is punished by the Supreme Courts of Justice in India, will not see any chance of these occurrences from any influx of Europeans by the open trade.

If I were to give an opinion on that subject, I should be inclined to say, that there is rather too much severity used towards the Europeans by the courts of justice, instead of any degree of laxity or inattention. It is necessary to be just; but it is equally necessary to support the character of the European by abstaining from any unnecessary marks of degradation.

To give an example of the strictness of the Supreme Court in Calcutta, and of the care with which it watches over the property of the natives, I knew an instance of some of the young gentlemen cadets, at the College of Baraset in 1807, having, in their frolic and mischief, set fire to one of the huts of the natives of the lowest description, the roof of which being made of straw might be of the value of one shilling or eighteen pence, and the walls of mud could not be injured. One of these cadets

(Mr. Grant) was tried upon the laws against arson, and condemned to *die* for the offence; and his sentence was afterwards commuted to transportation to Botany-Bay !

Another serious mischief from an open trade is *colonisation*, which formerly was very much feared, and still is dreaded by a few. If there were no impediments, such as I have mentioned, to the residence and acquisition of property in the country, I consider the nature of the climate, country, and inhabitants, as more effectually precluding emigration than any laws that can be devised.

In a country overflowing with population, with a climate adverse to European constitutions, with that population sober, industrious, and ingenious, and wages extremely low, there is little chance of any men setting themselves down who have to earn their subsistence by their labour.

In a country where the wages of labour do not exceed five or seven shillings a month (two or three rupees), it would be quite impossible for the lower classes of Europeans to obtain existence for a week. The nature of the food, and habits of

Englishmen, would consume in one or two days the whole of the wages possible to be earned by manual labour as an agriculturist or mechanic in a week. It is only in countries where the wages of labour are high, and the climate genial to the constitutions, that Europeans can inhabit and colonise. Nor is there to be found in the annals of the world an example of emigrations to, and colonisation of, a country where the wages of labour are so low as in India.

We must extirpate the present inhabitants before we can colonise, and even then the climate is hostile.

No where on the face of the earth has colonisation been effected by trade; no, not even in America, where there was an uninhabited country and land for nothing.

Is the West Indies colonised, though perfectly open? Is not the number of whites barely sufficient to conduct the blacks?

Great Britain is open to be traded to, and is traded to, by all nations; but are the few stragglers from these countries sufficient to colonise Great Britain?

Conquest and extirpation of the original

by the natives, or the removal of families for the express purpose, as to Botany Bay, are the only means of colonisation.

It will be admitted, that some master mechanics and workmen, to superintend works and supply Europeans with luxuries, may exist in India ; but, beyond that and the occupations of external commerce, colonisation cannot take place, if the permission to go to India was unshackled with any regulations, and free as air.

I have endeavoured to meet all the supposed dangers which are advanced by the advocates for exclusive trade ; and together they amount to so very little in reality, that I trust they will not for a moment influence any person when compared with the great advantages which will accrue to the nation at large by the open trade, without any injury, by the most distant contingency, being threatened to the Company's Government.

I shall hereafter show, that in a pecuniary point of view it is rather desirable that the Company should not continue their trade to India, not even on a limited scale ; and, as I have shown that there are no dangers in a political view to the integrity of the Go-

vernment, in India by an open trade, I shall hope to see it effected, as promising to be so conducive to the public advantage.

As the language of the East India Company and their advocates is high and confident, in regard to their rights to retain their territorial possessions and the exclusive trade to India, it may be necessary, under the *fourth division*, to consider what the nature of their right and title to both is.

By the 6th of Queen Anne, c. 17, in 1707, the several contending traders to India were united into one company, under the present title, to take effect in three years after 1711, and continue to the 25th of March, 1726. The Charter was given them to the intent, "That the said English Company and their successors may be encouraged to proceed in their trade, and may have time to settle factories, and perform such other matters and things as are necessary for carrying on the said trade to their best advantage and profit;" and it was agreed, that, upon three years notice given, and the payment to the Company of the 3,200,000*l.* lent by them to Government, with all arrears thereon, the

Company should *absolutely cease and determine.*

By the 10th of Anne, c. 28, in 1711, the Charter was further extended to the Company until three years notice after the 25th of March, 1733, “to the intent that the
“said Company should be the better encouraged to proceed in their trade, and
“to make such *lasting* settlements for
“the support and maintenance thereof, for
“the *benefit* of the *British nation.*”

It does not appear, that, up to that period, there were any ideas of the Company having a permanent right to the forts and settlements in India for a longer time than the duration of their Charter; nor do I find any distinct notice of the territorial possessions in India until 1730, when, by the 3d of George II. c. 14, a new arrangement took place. The Company were to pay 200,000*l.* to Government free of interest; and the annuity of 160,000*l.* per annum, paid to the Company by Government, was reduced to 128,000*l.* to commence after the 29th of September, 1730, and cease entirely after 1736, if the principal of 3,200,000*l.* should be paid up.

By the 7th section of that Act it is *distinctly* and *expressly* enacted, that the Company shall be, and continue to be, a *body politic*, under the same name and common seal, and to have in *perpetuity* all its possessions, rights, and rents, of what kind, nature, or quality soever, (not exceeding 10,000*l.* a year income, in England,) notwithstanding that Government should pay up the loans borrowed from the Company.

No notice is taken of the sovereignty of the country ; nor could it have been foreseen, so as to be provided for, that the Company could obtain any thing like the sovereign power of which they are now possessed ; the expectations, then entertained, were simply, that the Company should continue as merchants, in possession of the forts, factories, and strongholds necessary to carry on their trade.

That Act, I think, gives an indisputable right to the territorial possessions and revenues ; and enacts, that their exclusive trade shall cease, on the loan to Government being repaid, and three years notice given, after the 25th March, 1736 ; but that the Company may continue to trade to

India, in *common* with his Majesty's subjects.

I have been unable to learn upon what principles the right and possession of the Company to the territorial revenues in India have been questioned ; but, on the authority of the late Lord Melville, who certainly was the friend of the East India Company, that right appears to have been called in question. For, in his letter of the 16th of February, 1793, to the Chairman, he declares, " That the public has
 " always maintained, and the ablest law-
 " yers have recognised, its right to the
 " territorial revenues which have been ob-
 " tained in India, either by cession or
 " conquest ; and the administration of these
 " revenues has been permitted to remain
 " in the hands of the Company, without
 " any surrender of that claim on the part
 " of the public : That, in truth, the public
 " never can surrender it,"

Mr. Robert Dundas, in his letter of the 13th January, 1809, also calls in question the claims of the Company to these territories ; but, at the same time, admits, " That they
 " would be chargeable with the fair claims

“ of the Company, and their creditors, to
 “ a reimbursement of the expenses which
 “ have been incurred, and the discharge of
 “ the debts which have been contracted, in
 “ the acquisition and maintenance of these
 “ possessions.”

It might be a question, whether the immense sums which the Company have lost in their Indian commerce, would be included in the fair claims of the Company for reimbursement, as debts which have been contracted in acquiring and maintaining these possessions?

This is an acknowledgment of great consequence to the Proprietors of India Stock, and so far satisfactory to them, if no such objection is made; but it will not warrant the proposal of an Honourable Proprietor, (Mr. K. Smith,) who informed us, in an early part of the debate, that “ he
 “ would *say* to his Majesty’s Ministers, *at*
 “ *once*, pay us for our territories, stores, &c.
 “ remunerate us handsomely, and we would
 “ have no Charter at all.”

For my own part, I think such language and pretensions are not likely to obtain the objects of our wishes; I mean the wishes of the Proprietors, which are the security

of the dividends and principal stock. His Majesty's Ministers may, with more propriety, *say at once*, in reply to our demands, "We do not want to take, or purchase, "your territories, forts, or stores; you may "keep them; they are your own; and we "will lay open to the nation the trade to "India, and give to another company the "exclusive trade to China; which, after "the expiration of your Charter, we have a "right to do."

I cannot think that such would be considered, by the nation at large, as an improper answer to the present high demands and pretensions of the Company.

The same Honourable Proprietor would infer, that the Company ought to have every thing granted to them which they ask for, because they have employed 4700 seamen in their ships yearly. He ought to reflect, that if the trade to India had been so far laid open in 1800, as would have enabled the British merchants to have engrossed the whole, or the greater part, of that *third* of the *whole commerce of India*, which the Americans have been carrying on, that we should have been rearing and employing from 5 to 6000 seamen for these

fourteen years past, instead of 4700; and we would thereby have prevented the Americans from training in that trade 10 or 12,000 seamen, who are now in active hostility against us.

The Proprietors of India Stock ought seriously to consider, that the territorial revenues are, at this time, only sufficient to defray all the expenses in India; and that it is in the power of the Government, and might be considered consistent with the rights of all parties, to take away the exclusive trade to China and India, and leave the territories to the Company, from whence they may, if they can, draw their dividends.

It is alleged, that the wars into which the Company have been engaged, were forced upon them by the Government; and that they, as merchants, looking to the period of their Charter, would not have undertaken them. But, it will be found that almost every war which they have waged has been one of self-defence, to secure, even for the period of their Charter, the possession of India; the expenses for continental war connection having been mostly paid for by the British Government.

If the revenues were sufficient to answer that charge, and to place the pecuniary affairs of the Company in a better condition, we might use bold and determined language in the negociation for the renewal of our Charter ; but, under no circumstances, can our rights support us in the extravagant claims which the Company are now making.

It is well known that the claim of the public to the territories and revenues of India, which are the only securities in the hands of the Company for their capital stock, have been reserved by a proviso in each of the Acts for a renewal of the Charter ; and that, although we might fail in establishing our *claim of right*, we never could fail in our claim upon the *justice* of the nation, if the conduct of the Company continues to deserve as well of the country as it has hitherto done.

Having already considered the state of the Indian trade, its capability of being increased, and the dangers which in a political view are apprehended from its being laid open under proper restrictions ; I propose now, under the *fifth division*, to take a view of

the profits from trade, and the resources from which the dividends have been paid to the Proprietors since 1794 ; and, to consider what we are to depend upon in future to insure the regular payment of the dividends.

In examining the accounts of the Company, I have been confined entirely to those which have been laid before the Select Committee of the House of Commons, and published by order of the House ; and, it is only from them that I propose to abstract such statements as will establish the following points worthy of your consideration.

1st, That the revenues of the territorial possessions in India have not afforded the means of paying the dividends to the Proprietors of India Stock since 1794.

2dly, That the trade to China has produced sufficient profit to pay the whole of the dividends on India Stock since 1794, and a surplus. And,

3dly, That the India trade, or trade to the Presidencies of Bengal, Madras, and Bombay, has been of no assistance to pay the dividends, but a losing trade, and has

dissipated the surplus profits of the China trade, and other sums borrowed in India and England.

The manner in which the accounts have been kept in England renders it very difficult to separate the political from the commercial charges, with that degree of precision which merchants observe in the statement of their different adventures; and, although I might differ in the assignment by the Select Committee, of several sums to the heads political and commercial, it will suit my purpose at present best to assume their statements as partly, or nearly, correct.

I shall endeavour to separate the political charges from those of the trade to China and the trade to India.

The accounts of the revenues and expenditure in India are kept very correct, and may be relied upon; and those of China are simple, and comparatively clear, when compared to the Indian trade. I propose, therefore, if we can ascertain the two first, to allow the remainder of the expenses to fall as charges upon the Indian trade, as the shortest mode of forming an estimate;

for at best the trade accounts are only estimates.

The estimates formed, and expectations raised, at the renewal of the present Charter in 1794, of surplus revenues from India to pay the dividends, and discharge the debts then due, have been entirely disappointed, owing to the state of war in Europe and in Asia; which, whilst it has consolidated our Indian possessions, and rendered them more secure to the British nation, has absorbed, in the interim, the whole of the revenues received during that period; and, according to the statement, No. 11 of the Appendix to the Third Report of the Select Committee of the House of Commons, has incurred an actual surplus expense in India, of 5,078,015*l*. The Committee have added, as per No. 51 of the Appendix of the Fourth Report, the sum of 1,286,916*l*. a charge for cash paid to the Rajahs of Tanjore and Arcot's creditors, &c. as being clearly territorial, making the total sum of 6,364,931*l*. chargeable to Indian territories between 1792-3 and 1808-9, abroad, and 1793-4, and 1809-10 at home.

Agreeably to that statement, therefore, it is very evident that the dividends of the Indian Stock have not been paid by the territorial revenues; although, from the present state of India, there is great reason to hope that there will very soon be a considerable surplus revenue for that purpose. It ought to be observed, that if the total amount of the import and export duties upon the investments of the Company, during that period, had been charged at the same rates as the goods of private merchants have paid in India, and been brought to credit in India regularly; that that amount, including Indian interest on the same, would have exceeded two millions sterling, which, if added to the revenues of India, would shew the above balance against the territories less by two millions.

The Committee have then separated several items and charges, amounting to 5,953,660*l.* as being doubtful whether to assign them to the territorial or commercial departments. I have annexed a list of these sums in Appendix H; and for the reasons there given, I am inclined to divide them equally between the political and

commercial, although I really think the greater portion belongs to the commercial department.

By the Appendix, No. 25, to the Fourth Report, the profit by the China investment homeward is computed at

- - -	£.16,692,852
On the outward-bound - - -	454,524
Total - - -	<u>£.17,147,376</u>

From which deduct,

The loss by difference of exchange of bills, as per No. 10 of Appendix, Fourth Report	£.996,434	
Third Report, App. No. 7, loss by capture, &c. outward	164,539	
Ditto, No. 47, ditto homeward - - - - -	344,579	1,505,552
Leaving an apparent profit of - - -	<u>£.15,641,824</u>	

From which a portion of the items paid to the captains of worn-out ships, to Poplar alms-houses, to owners of lost ships, and salvage, ought to be deducted; but the whole would not lessen the sum very materially.

If I take the profits on the whole commercial concern for India and China, as stated in No. 51 of the Appendix of the Fourth Report, there appears to be a nett commercial profit of - - - - - L.14,676,817

But if I take the statement of the profit on the China trade alone, abstracted out

of the whole concern, as already shown
to be - - - - - £.15,641,824

It will appear that the India trade has
lost - - - - - 965,011
of the profits of the China trade, as stated
before; and if to this loss I add what
ought to have been paid to territories in
India for customs and interest, (Vide Ap-
pendix, G) about - - - - - 2,000,000

And, the half of the sums which were
considered doubtful, and now proposed to
be charged equally between political and
commercial - - - - - 2,976,830

There will appear a total of - - - - - £.5,941,841
chiefly against the Indian trade, as a loss.

In order to shew the sums of money
which the territories in India, the China
trade, and the home treasury, have raised,
I have a statement, (Vide L, in the Ap-
pendix,) where surplus cash from the sums
of Indian territories is 3,264,767*l.* after
deducting all the charges clearly territorial,
and one half of those doubtful sums.

After deducting the whole of the divi-
dends paid upon the stock and bonds
(12,512,284*l.*) from the profit of the China
trade and annuities, there is a balance of

5,758,765*l.* to go to the surplus cash account.

After deducting the other half of the doubtful sums from the increase of debt in England, there is 959,066*l.* balance, to go to the surplus cash account, making in all 7,982,598*l.* to be properly accounted for.

The computation of stock does not shew an increase to account for this sum.

I am, unwilling, however, to take any item which the printed papers do not give; and, as there is no account of the trade to India, separate from that to China, for the whole period, or any general result, except the one as above given, which shews that the profit on the whole is less by 965,011*l.* then, upon the China trade alone, I shall be satisfied in considering that sum as the total amount of loss by the India trade, instead of the yearly profit of from 1 to 400,000*l.* a year, which the Honourable Director (Mr. Grant) told us the trade to India had produced.—A subsequent statement has been offered, (by Mr. Grant) by which the profits on the India trade, on an average of 17 years, are said to amount to above 111,000*l.* a year, but without the

Indian duties being charged upon the goods ; nor do I know upon what other data the account has been made up. Perhaps the Honourable Gentleman has not included in his account the whole of those commercial charges which arise from the payment of the Board of Trade, and other commercial establishments in India, and which amounted to 2,916,279*l.* in 17 years. It has been doubted by the Court of Directors, whether the whole of the salaries and expenses of the Board of Trade in Bengal ought to be charged to commerce ; because that office, having little employment in comparison with the Board of Revenue, received charge of the opium, salt, and custom department, which have been always considered as fixed revenues, and included with those of the territories. But no addition was made to the salaries of the Board of Trade when these additional duties were imposed ; nor was any reduction made from the salaries of the Board of Revenue, when the labour of superintending those departments was taken from them. If there were no Board of Trade, the Revenue Board would again perform the

duty of the salt, opium, and custom departments, without any additional expenses; commerce ought not therefore to be saved from the support of these establishments strictly commercial.

As the Company do not insure their trade, they must stand to the losses, which, during late years, have been great beyond example. The loss on the China trade by captures and shipwreck in 17 years is only 509,118*l.* which amounts to only 17*s.* 5*d.* per cent. upon 57,896,274*l.* the total amount of sales of the import China cargoes.

The loss by the Indian trade is much greater, being in 17 years 1,422,345*l.* (although the greater part of that loss took place in the last eight years), and, being charged equally upon 44,841,680*l.* the total amount of sales of Indian trade for 17 years, will shew a premium or loss of 3*l.* 3*s.* 5*d.* per cent. which must be charged upon the trade.

As my object at present is only to shew that the trade to India is carried on by the Company without any profit, I have, in order to render that clear and simple, prepared a statement of the trade for eight years, for 1802-3 to 1809-10, (as per Appendix, I,) in which I have stated the profit as

computed by the India House in No. 25 of the Appendix, Fourth Report ; and have deducted, only the loss on saltpetre, the share of the commercial charge in India, and the insurance at 3*l.* 3*s.* 5*d.* That account will exhibit a loss to the Company of 342,977*l.* without adding any proportion of various other charges, as noted. The duties payable on woollens being $6\frac{1}{4}$ per cent. and on metals $12\frac{1}{2}$ per cent. on importation, I have charged the low average of $7\frac{1}{2}$ per cent. on the amount of the outward cargoes, 7,340,691*l.* ; and $3\frac{1}{2}$ per cent. viz. 2½ customs, and 1 marine, upon 8,872,977*l.* the amount sales of the homeward-bound cargoes ; and they amount to 861,005*l.* which, if added to 342,977*l.* will shew, without any other sums, a clear loss of 1,204,082*l.* by the trade to India in eight years.

In case there should be any objection to that account made up by me, I have annexed (Appendix, K) an account of profit and loss on the whole of the Company's trade for three years, viz. 1807, 8, and 9-10, delivered in by the Court of Directors to the Select Committee of the House of Commons, along with the supplement to the exposition of the Company's finances in

1810. That account is the only one that I have seen, where all the expenses, (except customs) are stated to have been charged upon the goods ; and I trust there cannot be any mistake in the annual average loss by the India trade on these three years, being taken at 118,615*l.* whilst there is a clear gain of 1,168,065*l.* yearly, for the same three years, by the China trade. If, to the loss by the India trade, as shewn by the Directors, I were to add the sum of 347,894*l.* which private merchants importing and exporting the same quantity of goods from India would have paid to the Company, the loss upon these three years will be 703,740*l.* or, on an average, the yearly loss of 234,580*l.* sterling by the India trade.

I am satisfied, that if the Accountant General at the India House, will make out a regular and fair account of the Indian trade for the 17 years past, as he has done for the years 1807, 8, and 9, that the result will shew a loss of more than the average of these three years. I am therefore much at a loss how to reconcile that statement of the Accountant General, of the loss for three years, with the assertion of the Honourable Director (Mr. Grant), who at the former

Court stated, that the profits by the India trade have been an object of some consequence towards paying the dividends on the stock, as there had been a profit from 1 to 400,000*l.* a year. If I assume the medium of that assertion, viz. 200,000*l.* a year, there ought, in 19 years of the Charter, to have been a profit of 3,800,000*l.* by the India trade; whereas, by my calculation, supported by the Accountant General's statement for three years of that time, there has been a loss of full 200,000*l.* a year, or in 19 years, of 3,800,000*l.* in round numbers, by the Indian trade.

On this point we are completely at issue; and I shall be happy, by further explanation, to be convinced that my calculations are erroneous, and that the Honourable Directors are correct; as, in the latter case, there must be an immense sum of money to be accounted for. Much has been said about the distresses of the Company arising from the wars in India, but the fact speaks a very different language; for India has borrowed more money on credit of her territories than she has expended, and the surplus cash has been supplied to the commercial department, from which alone

all the pecuniary difficulties of the Company have originated, and on account of which they continue. From all that I have offered to your notice, I think, we may come to the following general conclusions :—That there has been nothing in the manner of conducting the negociation, or in the language of the Earl of Buckinghamshire, which warrants the epithets of arrogant, assuming, or extraordinary ; that the profits of the China trade, and not the territorial revenues, have paid the dividends of the India Stock ; that the India trade has not been profitable, or aided in the payment of the dividends ; and, that it is not of such importance to the Company's prosperity, to induce the Court of Proprietors to quarrel with his Majesty's Ministers and the country about the preservation of its exclusive privileges.

On a question of such importance to the interests of the Proprietors in particular, and of the public at large, I should have expected, from the united wisdom and prudence of the Directors, that they would not, in the very commencement of the renewed correspondence, under any circumstances, but particularly in the present

state of their finances, have thrown down the gauntlet to his Majesty's Ministers and the country, whilst they were at the very threshold of discussion.

I should have expected, that they would have endeavoured to ascertain from his Majesty's Ministers, whether it was their intention to lay open the trade to the out-ports at once, or by degrees, in order to enable them to judge of the effects likely to result, either to the Company's profit, or loss, or to the revenue of the country. A modification of that nature would have made a material difference in the effects to be dreaded from the change, particularly when it is recollected that, in the event of peace, there will be as much facility, and more opportunities, of smuggling teas and other China articles from foreign states and traders, who are under no kind of controul of the British Government, than can possibly be apprehended from ships of the out-ports, under the strict regulations which may be adopted.

It might have been expected that the Directors would have delayed any decided opinion (as was done in 1793) until they

had consulted the Proprietors ; when, after assisting them with their opinions, they might have guided the resolutions of the Court with moderation and firmness. The letter of the 18th of December from the Directors must, I think, be considered by every disinterested person, as rather hasty and threatening ; and I cannot, therefore, give my sanction to the vote of approbation which this Court passed at its last meeting, and far less can I agree to the Resolutions now proposed, or any others except those of conciliation and moderation.

We have committed ourselves already both to the Minister and the country, by the impatience manifested too evidently against discussion and the fullest inquiry ; and we ought now to endeavour, by the candour and liberality of our conduct, to wipe away those unfavourable impressions which have already been received by many in the country, in consequence of our late proceedings. It is of very great consequence to the interest of this Court to meet with cordiality the liberal offers of Government ; and, I really believe the Government will have enough to do, with the assistance of

the Company and all their friends, to induce the nation to acquiesce in a boon, so extensive and profitable as that of the China trade, exclusively to the Company.

By agreeing to go into Parliament as petitioners, with the Ministers as our friends, we do not relinquish the claims upon the justice and liberality of the Legislature for a continuance of our exclusive trade; nor will they, I am confident, be induced to refuse its continuance to us, if we are able to prove, to the satisfaction of that House, that the nation will lose by the proposed change, and that the Company will also be *ruined* by it. It cannot be supposed, in times of such financial difficulty, that either the House of Commons or the Chancellor of the Exchequer, will be anxious to produce any defalcation in the revenue, or occasion mischief to our maritime power, by an act which is stated, by most of the speakers in this Court, to be an act of injustice against a long-established and venerable system. If we are so confident of the justice of our cause, and of the facility with which we shall be able to demonstrate the advantage, to the country and

the Company, by the continuance of the exclusive trade; let us at any rate not be offended with those who think otherwise, because, out of discordant opinions and discussion, eventual good must ensue.

Rash and clamorous proceedings for the attainment of our object will, I fear, in the view of all reflecting and considerate men, tend to betray weakness in ourselves, and want of justice in our claims.

The Minister asks nothing for himself; his situation compels him to act for the general good, and to do justice between the claimants for, and against, a free trade. Some of the Proprietors are sanguine, and openly declare their belief, that the Minister, who has grappled with the East India Company in opposition to her demands, will *fall* in the *struggle*, and like a former Minister shrink into political insignificance. If there were any similarity in the two cases, if an attempt were making to effect a radical change in the whole system of the Company; if the Minister were endeavouring to obtain such a vast addition of patronage and influence, as Mr. Fox's plan would have produced: then might the advocates of exclusive trade entertain

a hope of being supported by the nation in their resistance to the propositions of the Minister ; and then, indeed, the footing of the Minister would be very precarious. The Company's real friends ought not to hold out such language and threats against the present or any other Ministers, who may differ in opinion with the Directors and Proprietors of India Stock ; they ought not to foretell defeat and disgrace to those who attempt to refuse them their full demands, as it will recoil with fearful effects upon the Company, in every arrangement that may afterwards be made with them. It may become a question of sound policy, whether a Company, or commercial oligarchy, ought at all to be tolerated, who declare themselves confident of being able to overturn any Ministry who oppose them in their demands, and perhaps unjust demands ; because, the balance of power in the constitution might be seriously altered, should such a Company, now able to measure strength with the Minister, become the blind partisans of that Minister ?

Such is the language of those (viz. Mr. Impey) who, from over-zeal, become the worst enemies of the Company, and ought

not, in my humble opinion, to have received countenance and applause within these walls.

There are many people hostile to an open trade ; because they affirm, that it will be meddling with a well conducted and long established system, which has brought the British power to such glory in India ; they are against experiments for remote and contingent good, and will rather remain in error, and under difficulties, than admit of any change. These gentlemen ought to recollect that such opinions militate against all correction of abuses, and against our benefiting by past experience, in order to prevent mistakes in future ; and, unless they are prepared to contend that the past system of the Company's commerce has been of the most perfect kind, and productive of the greatest possible good to the Company and to the state, they will find themselves defeated by their own arguments. The fact is, that every person acquainted with the state of the Company's trade for these eighteen years past, is convinced that beneficial improvements are possible, but, to what extent, is for the Legislature to determine ; and the Company ought, therefore, to meet the Minister,

if possible, in his propositions, and secure him as their friend ; it being next to impossible to imagine that the nation at large will be for perpetuating what they consider an injury to themselves—a monopoly.

The facts generally known, and the statements which I have offered, prove clearly that the expectations entertained by the Legislature and the country at, and since the renewal of the charter in 1793 ; namely, to bring the greatest possible portion of Indian commerce to London ; to render England the emporium of Eastern commodities ; to take off the greatest possible quantity of British produce ; and to check foreign Indian commerce, have not been realized ; and, that some alterations must be made to meet the hitherto assiduous and loud, *but now silent*, complaints of the London and Indian merchants. It is not either decorous, or becoming, for us to ask for the continuance of what “ not enriches us,” but deprives the nation of a portion of her strength, which she would enjoy by an addition to the Indian trade, and consequent increase of her marine and wealth.

If an open trade will supply our manu-

factures with cotton, for which America has hitherto received millions; if a supply of silk from Bengal will be effected by an open trade, and save the millions annually sent to countries subject to Buonaparte for that article; if the reduction in the price of raw silk will enable us, with the aid of our superior machinery, to undersell the French and Italians in foreign markets in silk stuffs; if an open trade will extend the exports of British produce, and increase the imports of Indian goods; if an open trade will check the already proud and powerful rival of Great Britain in the carrying trade, in the nursery for her seamen, and in the supply of her treasury; and, if the East India Company will be released from the hitherto losing and unproductive branch of their trade:—let me ask, what sufficient arguments or facts can be opposed to the carrying into effect so many desirable objects, of so much importance to the Company and the nation?

The dangers, I presume to think, are ideal, the fears chimerical; and the inconveniences are so few, and of such a nature, as ought not, for a day, to stop the accomplishment of so important an object.

After what I have said on the subject of the Company's right to the China and Indian trade, exclusive of their claim on the justice and liberality of Government; and, considering that I have, by extracts from the official documents laid before the the House of Commons, proved that the China trade is a most lucrative one, and that the Indian trade is the reverse, I think there ought to be but little hesitation as to our conduct in the offer made to us. We ought, with thankfulness, to accept the *boon* of the China trade; and, by our arrangements, prepare for a participation, or the entire relinquishment, of the trade to India, to the nation at large.

It is my opinion, as well as that of many other persons, that the less the Company have to do in the Indian trade, the better their finances will appear at the termination of the next ten years; and I could show, that without great economy the China trade will not enable them to go on.

It would, perhaps, be the best and safest way to pension all those servants employed in the commercial line, whose services require them to be provided for, as we should then know our utmost expense, and every

year would reduce it; whilst, under our present system, we wofully increase it.

The nature and objects of the Company are actually changed since its formation; and sound policy requires that our system should be suited to the changes. The Company began as merchants, but are now very powerful sovereigns. They carried on the commerce of other countries, and should now permit British merchants, exclusively, to carry on the trade of their dominions.

The British Government may, with as much propriety, propose to carry on the trade to Jamaica and all her other colonies, as for the Company, sovereigns of fifty millions of population in India, to propose the management of the Indian trade with England. The one, I have little doubt, would prove as disadvantageous to Britain as the other has been.

However, as the Court of Directors did virtually agree (for I cannot call it coincide) to open the trade, from the out-ports to India, and from India to London; I must candidly confess that I am sorry the negociation should have been broken off upon a point which did not in any way

interfere with the safety of their Indian territories ; and, at the utmost, but a little with the profits of the China trade.

There can only be a little loss to the China trade from smuggling ; and, as the China trade is altogether a *boon* from the nation, the Proprietors ought to consider whether they will refuse that reduced *boon*, the only means of paying their dividends, or remain without any funds to pay them.

No. India does, and will pay, all its charges and the interest upon her debts. The China trade now produces from eleven to twelve hundred thousand pounds a year ; the interest of your twelve millions capital stock only requires six hundred thousand pounds a year, and, the bonded debt, about two hundred thousand pounds more ; and, allowing for a considerable reduction in the profits of the China trade, there will still be a surplus for the Directors to throw away upon the Indian trade, if *they choose* so to do.

this is
a cruel
deed!

Having in vain endeavoured to find out, in what manner the interests of the Company can be benefited, by refusing to receive the Charter, which would give them the management of the territories and China trade ; or how the Proprietors of India Stock can

derive advantage from the present proceedings of the Directors; I have been constrained to look for some other motives which may actuate them in their deliberations.

If I were allowed to doubt the zeal and sincerity of the Court of Directors, for the real interests of the Proprietors, I should suspect that considerations, for the patronage of the different establishments connected with the Indian trade and the city of London, had biassed them to take the warm, and, in my opinion, hasty line which they have done; and, that it behoves the Proprietors to look to their own interests, unconnected with these objects.

The question between the port of London and the out-ports, cannot, and ought not, to be settled by India Proprietors. It is for the Legislature, after weighing the claims of both parties, to decide (in their justice) between them; and, if the proposed change should fall heavy upon particular establishments, it is surely most competent for the Legislature to protect their rights, and afford such recompence as may be most proper, under all circumstances, to afford.

I have to apologise, for having detained you so long; but the magnitude of the question has drawn me much more into detail than I could have wished, though much less than the nature of the subject required.

I cannot agree to the voluminous Resolutions proposed, because I have reason to doubt the correctness of some of the assertions, and think that they tend to stop all further negociation with his Majesty's Ministers; the renewal of which I consider the only means of bringing every thing to an amicable settlement.

I am independent of all parties, nor do I know of any gentleman in this Court who is to second the Resolution, which I shall beg leave to propose as an amendment to the Resolutions already read.

“ That this Court, deeming it prudent
 “ and proper to acquiesce in the principles
 “ and preliminaries stated by his Majesty's
 “ Ministers, through the President of the
 “ Board of Controul, in the papers laid before the Court, respecting the renewal
 “ of the Company's Charter, with certain
 “ provisions in favour of the merchants and
 “ manufacturers of Great Britain and the
 “ out-ports of these realms :

“ Resolved, That it be referred back to
 “ the Court of Directors to renew their
 “ negociation for the carrying these prin-
 “ ciples into effect: this Court relying on
 “ due attention being paid to secure to the
 “ Company as great advantages in their
 “ commerce, as are consistent with their
 “ claims upon the public, and the prospe-
 “ rity and interests of the country at large ;
 “ and, for that purpose, by proper regula-
 “ tions, to guard against the mischiefs that
 “ might arise from disputes, in India or in
 “ England, between those engaged in com-
 “ merce ; to protect the trade from smug-
 “ gling, and those consequences which are
 “ now dreaded from a departure from the
 “ present established system ; and parti-
 “ cularly, to prevent the residence or inter-
 “ ference of Europeans in any part of
 “ India, so as to endanger the Company’s
 “ governments there, in their exclusive ad-
 “ ministration of the territorial possessions,
 “ which they now have, or may hereafter
 “ obtain, as well in their revenue, as in their
 “ judicial and military departments : That
 “ the Directors be instructed to obtain
 “ from his Majesty’s Ministers a guarantee

“ to the Proprietors for their capital Stock
 “ and Dividends, in case the Legislature
 “ should hereafter take the territories from
 “ under their management: That, as the
 “ Company consider themselves guardians
 “ of the prosperity of the Empire in India,
 “ and protectors of the liberty and happi-
 “ ness of the millions who live under their
 “ government, they repose confidence in the
 “ abilities of the Directors, and the wisdom
 “ of the Legislature, that every possible
 “ safeguard will be provided to prevent
 “ danger to the Empire, and injury to its
 “ people: And the said Court of Direc-
 “ tors do, from time to time, report their
 “ proceedings to this Court.”

The Amendment was negatived at an
 adjourned Court, Mr. Hume alone sup-
 porting it; and the original Resolutions,*
 somewhat compressed, were agreed to, with
 the *dissenting voice of Mr. Hume.*

* Vide in part, pages 187 to 196.

APPENDIX, A.

Extracts from Minutes of Evidence, taken before the Select Committee of the House of Commons, on the East-India Company's Affairs, May, 1809.

Mr John Innes—Carries on a considerable trade as India Agent in London, states:—The principal impediments to the trade to India are, the difficulty that the merchants in India have in obtaining freight for their goods, when ready to ship for this country, and the ignorance in which they are kept of the names of the ships in which the goods are to be sent. By the want of such freight the Agents here are brought under advance for the bills drawn against the goods consigned to them. By not knowing the names of the ships, they are unable to effect insurances on particular ships, which is always done at a less premium than on ship or ships.

The private merchants, if at liberty to send their goods in their own way, could always anticipate the insurance on particular ships. The difference of insurance between Company's regular ships, and Indian-built ships, if they sail with convoy, only 2*l.* per cent. The rate of insurance on a regular ship 7*l.*, on an Indian-built ship 10*l.* 10*s.*, and on ship or ships 15*l.* 15*s.*; which, in the event of a loss, will lose to the merchant 11*l.* 5*s.* (including covering the premium) by having the insurance made upon ship or ships, instead of being upon a regular ship; and 4*l.* 5*s.* upon its being made upon an Indian-built ship by name, instead of its being made upon a regular ship. We frequently have occasion to apply for freight to India, and have difficulty in obtaining it: for instance, we applied in November last for some, and only got an answer yesterday (in May), and the ship may sail in next month or July. The goods in Bengal are generally brought to the warehouses in November, and the extra ships

have seldom sailed before May or June afterwards. It is necessary to apply for freight in India in September, when it is not known what the produce of the crops will be; consequently great uncertainty as to the tonnage. In order, in time of peace, to enable the private merchant to meet the Americans in the Europe market, he must be allowed to assort his cargoes as he and the owner of the ship may arrange, and to ship them when ready. I am firmly of opinion, that in time of peace, with all those facilities, we could meet the Americans and other foreigners in the Europe markets; that it would tend to increase the export of British manufactures.

There were no extra ships in India in 1806-7 to receive the indigo, and it came home in regular ships at 44*l.* per ton.* We could have imported that indigo in our own ships at 22*l.* 10*s.* per ton, if permitted. I believe as high a freight has been charged by the Company as 52*l.* per ton.

If the present restrictions imposed by the Company upon private merchants are continued in time of peace, the Americans, without any advantage as neutrals, would compete, with the India Company and British merchants in the trade from India to Europe. The freight in 1802 on Company's extra ships was 5*l.* per ton out, and 14*l.* home—in this year (1809) it is 9*l.* and 22*l.* 10*s.*

The restrictions, viz. irregular time of sailing, waiting for convoy, high freight, &c. do not arise out of a time of war, but from the impolitic regulations of the Company. By impolitic regulations, I mean, the mode of loading the ships, the great expense of equipments, and a variety of other matters.

Mr. Richard Campbell Bazett—Has been a merchant in India from 1788 to 1802, and is now in an Indian Agency House in London. I certainly do not think the regulations of 1802 have afforded the facilities to the private trade which it requires to carry it on to advantage. The principal inconveniences are the time of applying for freight in September,

* The Court of Directors afterwards reduced that charge to 33*l.* per ton.

when we are unable to ascertain the quantity of the crop of indigo, the great staple; and the high freight prevents our shipping gruff goods. I have known many instances in which there was no spare freight, and our goods have lain over till the next year. The extra ships have frequently been dispatched at a season of the year the most unfavourable for a voyage to England, and the consequences in several cases have been, that the goods were damaged in their passage down the Bay of Bengal, particularly in a recent one to a very great extent--the voyage also becomes unfavourable throughout. The bills are usually drawn from Calcutta on the proceeds of the goods, at the time the goods are sent to the Company's export warehouse; and I have known them lay there sometimes a great length of time before they were shipped, which is attended with considerable inconvenience, as the bills are payable at a fixed period; and unless the goods arrive to meet those bills, they must lead him, the correspondent in London, into an advance of cash to meet those bills, without their possessing the security even of a bill of lading, for which we are always charged interest and commission. I have found inconvenience from not being able to assort our cargoes; because a large quantity of one kind of goods may come in one ship, and be too much for the market; whereas, if it were divided in the different periods of the season, they would all arrive in a small proportion to more favourable sales. A large importation of any one article occasions a glut in the market; an assorted cargo would be more valuable.

With regard to exports, I certainly have felt very great inconvenience, from being disappointed in the freight for which I had applied. I will, if you please, state a specific case, a recent one: In April, 1805, I applied for tonnage in order to export goods that were commissioned from a house of business in Calcutta: those goods were directed about three months afterwards to be shipped on the Northumberland; part of these goods were left out from want of ton-

nage. These were the last ships sailing in that season, it being the month of June; the ships Northumberland and Euphrates had both a circuitous voyage to make; that is to say, they were to go to St. Helena before proceeding to India, which was a disadvantage. The freight for the whole had been paid to the Company's proper office; I naturally expected that those goods, so left out, would be shipped by the first ships of the following season; they were not, nor upon the second fleet of that next season; they were shipped in May, 1806, being above twelve months after the application for freight was made, in the Tottenham. In consequence of this delay of twelve months in the shipment, the house which commissioned the goods from India refused to receive them, and they were sold for our account, who were the shippers, to a very considerable loss. Conceiving myself entitled to look to the house which ordered the goods, for a loss that derived itself from no fault of mine, but solely from the tonnage not being allotted in the earlier ships, I am at this moment engaged in a controversy with the house which ordered the goods, for the loss, which he refuses, because the goods did not arrive in time.

Another inconvenience which I have experienced is, that when the application is made to the Honourable Court of Directors for freight, not knowing when it can be granted, I dare not order to be packed a variety of goods that are of a perishable nature, until I am told that tonnage is ready to receive it. This is frequently done at a fortnight's notice; that is to say, I am told that on such a day, in about a fortnight, you must have the goods ready for shipping. During that period it is impossible to purchase, pack, and prepare for shipping, goods, some of which may come from manufacturing towns, and some by water, of which the passage is uncertain. Provided the goods are not ready upon the day that is noticed, there is a fine chargeable upon every package, which I myself have never paid, but I have known it paid by others. If we were at liberty to export and import in ships of

our own, we would not have these inconveniences ; we had experience of that under Lord Wellesley's permission to send our own ships to this country. I brought home a considerable property, well assorted, and at a comparative low freight, and it came to a profitable sale.

I am decidedly of opinion, that were the merchants allowed to export and land their goods in India without reference to the government there, that the trade would be increased, and much of that which goes into foreign ships would be sent home here. If the restrictions were withdrawn, the trade from Europe to India would admit of very great extension. I think, with the freedom given, that in time of peace we certainly might meet any foreign traders in the trade of Europe ; and in time of war also, if there was an increase of duty upon foreign trade in India. Speaking from recollection, I think more than one half of the extra ships have sailed from India at a period subsequent to the end of March, which I do not think desirable. The high rate of freight of the Company's ships weighs much in the contemplation of the general trade of India.

Mr. Henry Trail—Has passed many years in India as a Merchant and Agent, and is now in a House of Indian Agency in London—States, That there is a difference of the rate of insurance of two or three per cent. to private merchants, from their being obliged to insure on ship or ships, instead of being able to insure on individual ships:--That an insurance to a large amount cannot be so easily effected on ship or ships, as upon individual ships:—That in one case, three or four years ago, they received an order to insure a large amount on ship or ships from India, which they did at fifteen guineas ; but on receiving a further order, their broker (as there was some difficulty) advised them to defer insuring that sum until they could give the names of the ships in which the goods were laden to the underwriters ; and before that was received, the accounts of the capture of the *Althea* arrived, and Mr. Trail was obliged to effect his insurance at twenty-five guineas per cent. which

difference would have been saved if he could have known the names of the ships in which the Company would have shipped these goods. The time fixed by the Company in India, in September, to give notice of the tonnage which they will require in the ensuing season is too early, and they are unable to state the quantity with certainty:—That inconvenience has arisen to the merchants therefrom:—That his house had once paid a forfeit of 5000 rupees, from not being able to fill up the tonnage which they had asked for, and been afterwards unable to fill.

If the restrictions now imposed were removed, and double duties imposed in India on the Americans, thinks we should supply the European markets as cheap as the Americans:—That there would be an increase of imports, chiefly raw materials, but does not suppose the consumption of exports from this country would be much improved.

Mr. Henry Fawcett—Was a long time resident at Bombay, in the Company's service, and as a merchant; is now concerned in a House of Agency in London—Has experienced considerable impediments and delays in obtaining tonnage in England and in India, but principally in India. In April, 1805, the merchants at Bombay applied for the extra ship *Devaynes*, then in the harbour, for part of 2000 tons, which they wanted to Europe, but could not get it until September following, although the Company had not goods there or at Madras to lade upon the *Devaynes*. By which delay there was a loss of six months interest certain, and perhaps a difference in the market. In the act of shipping the goods at Bombay, does not know any difficulties of consequence. On the 8th of May, 1806, the merchants offered to load the extra ship, *Sir William Pulteney*, then in the harbour, but were refused: they could get no tonnage for that cargo, chiefly cotton, until October, when they got the *Experiment*, extra ship, which reached England in the same fleet with the *Sir William Pulteney*: 20*l.* extra was charged on the *Experiment*, and only 14*l.* on the *Sir William Pulteney*. I think, with proper

encouragement, we might bring cotton to a fair market profit in Europe, and might supplant the Americans in the supply of it. Thinks we could undersell the Americans in cotton. Bombay and Surat export about 90,000 bales, or 98,280,000lbs. and great part of it might be brought to Europe. The bowd Georgia cotton comes in competition with the Surat cotton. If the exports from England in iron, copper, lead, woollens, &c. were carried at less expense, they could be sold cheaper; and, I think, more of them would be sold. We might also import barilla, drugs, &c. Bombay is the commercial capital of the west of India.

Mr. John Bebb—One of the Directors of the Company, was twenty-nine years in India, in the Company's civil service, and a member of the Board of Trade at Bengal from 1790 to 1800.—The 3000 tons are not set aside for private merchants, unless called for in the month of September by regular notice. In 1796 the merchants of Calcutta sent home their ships at 16*l*. per ton, and they had the benefit of the outward voyage to themselves; I believe they found that rate too low.

I understand that about the middle of the month of September, the produce of indigo for the year may be ascertained with tolerable accuracy:—That he thinks the desire of India owners to get their ships employed, and of agency houses in London to have the management of them, have induced representations to be made that they can supply freight cheaper in their own than in the Company's ships. I understand that Americans and foreigners have a considerable advantage over the traders of this country from India, in the sale of Indian goods in foreign Europe and America, arising from their low rates of freight and neutral character, and in certain duties in this country. If the trade between this country and India was laid open, I think we could carry it on more advantageously than other European nations. In peace I think the Company could carry on the trade, under existing regulations, to more advantage to themselves and the country than individuals. I do not think, if the trade was open, that the exports

of this country could be much increased for the use of the natives. I think I stated, that from the skill of their servants and their capital, the Company could carry on trade with more advantage than individuals; I would add, that the Company's goods have a character for excellence, which the goods of private traders do not attain. I thought the Company traded 15 per cent. cheaper than I did. I have often reflected on the subject, and I have been of the same opinion for twenty years, that the Company would have *nothing to fear*, in a view *merely commercial*, from the trade being *thrown open to the competition of private merchants*, whether in *India* or in *Europe*. If their exclusive trade should cease, the Company would carry on their trade to greater advantage than any other merchants. Neither the commercial establishments, warehouse rent, nor the purchase of warehouses, have been added to the invoices of the Company in India. There is a letter of the Court, of 18th February, 1807, which conveyed the orders for the rate of freight for three years, viz. two retrospectively, and one prospectively. Woollens is generally a losing trade.

Mr. John Woolmore—Formerly commanded one of the Company's ships; also one in the Country Trade, and now a Ship-owner.—In 1800 and 1803, I am confident that the British ship-owners could have sailed cheaper than the country ship-owners, or equally cheap. The exports to India will not bear a greater profit than the freight, insurance, and expenses attached to them. I am in doubt, whether in peace the freight can be so low as the Americans; in war, certainly not. I think the class of ships best qualified for the trade to Bengal should be of 500 or 550 tons, on the principle of the superior West India ships. I could build and navigate a ship to India cheaper than under the regulations of the Company. I think the engagements of the Company, in 1801, with merchants, owners, &c. to provide shipping at a moderate rate, to sail at fixed periods, and to leave India under the fair-weather season, have not been complied with on the part of the Company. I have been a considerable owner of extra ships.

The ships were employed for political purposes, and they did not make the same number of voyages out and home as if they had been under my own management. When the ships sail out of season, the tear and wear, and expense of the ship-owners, are increased, which I would avoid unless there was some equivalent profit. It would be a great advantage to the merchants to be allowed to load their ships in their own way, and sail them at their own time, and under their own controul. I think the inconveniences now experienced by merchants in the extra shipping, would be mostly removed by the merchants in their arrangements. An unnecessary expense for out-fit for the Company's ships, does not in all cases add to the security of the cargo.

Mr. Grant Allen—States, That in case of capture or total loss, there are no returns made; consequently the difference between the premium of 15 guineas per cent. "on ship or ships," generally, and 7l. per cent. the premium on regular ships, would be a loss of 8l. 15s. per cent.

APPENDIX, B.

Calculation, shewing the increased Rate per Cent. at which the following Articles of East-India Produce would be charged Freight, at the Rates lately charged, more than 20l. per Ton, at which it is supposed Freight might be obtained for, on India-built Ships, or others.

GOODS.	Average per Ton.	Freight,			Freight, at £.44 per Ton.
		at £.22 15 per Ton.	at £.30 10 per Ton.	at £.20 $\frac{1}{4}$ per Cent. more.	
Borax.	£.52	£.5 $\frac{1}{4}$ per Cent. more.	£.20 $\frac{1}{4}$ per Cent. more.	£.46 per Cent more.	
Cassia	80	2 $\frac{1}{2}$	13	30	8
Camphire	300	7 $\frac{7}{8}$	3 $\frac{1}{2}$	33 $\frac{1}{2}$	19
Cotton	72	4	14 $\frac{3}{4}$	60	100
Coffee	126	2 $\frac{1}{4}$	8	7	15
Gums	40	7	26 $\frac{1}{4}$	26 $\frac{1}{4}$	26 $\frac{1}{4}$
Hemp	24	11 $\frac{1}{2}$	42 $\frac{1}{2}$	63	63
Indigo	336	7 $\frac{7}{8}$	3	15	15
Mother-o'-pearl Shells	155	1 $\frac{1}{2}$	6 $\frac{1}{2}$	26 $\frac{1}{4}$	26 $\frac{1}{4}$
Pepper	90	3	11 $\frac{1}{2}$	63	63
Sugar.	38	7 $\frac{1}{4}$	27 $\frac{1}{4}$	63	63

Company's extra ships have been charged £.22 15 per Ton home 1805.

Ditto	Regular ditto	ditto	32	5 ditto	ditto.
Ditto	Ditto ditto	ditto	32	0 ditto	in 1808.
Ditto	extra ships	ditto	27	0 ditto	ditto.

APPENDIX, C.

Extract, Suggestions submitted by Joseph Cotton, Esq. to the Court of Directors, towards the Improvement of the Shipping System.—Appendix, No. 4648, page 3967.

“ When the public service these ships have had to perform
 “ (alluding to the 5 and 600 ton ships) is considered, inde-
 “ pendent of the transit of most valuable stores and private
 “ goods, and the security from hostilities of that transit, be-
 “ yond what the Indian ships could furnish, neither the
 “ Company nor the public have much right to complain,
 “ though it must be confessed, that both the individual mer-
 “ chants and ship-owners may justly murmur *at the deviation*
 “ *from the original intention, for the detention of their ships on*
 “ *their voyage has been ruinous to many of them.*

“ Yet the species of political service and interference has
 “ been grafted upon the *original principle, and was expressly*
 “ *declared by the terms and conditions to be no part of the system ;*
 “ and, though the public has been benefited thereby to a
 “ very considerable amount, at the most moderate rate, and
 “ what could not have been performed but by ships imme-
 “ diately in the Company’s employ, their deviations have
 “ furnished ground for the most *serious complaints against*
 “ *the ships, and brought the British transit into disrepute.*
 “ Detentions even for convoy were not in contemplation for
 “ this class of shipping, inasmuch as every proprietor might
 “ insure his goods, which the Company have never done. It
 “ is the *demurrage occasioned by such detention* that is ruinous,
 “ and the whole difference to the merchant is, that a small
 “ return of the premium is probably made, if they sail with
 “ convoy ; but the expense to the Company and the ship-
 “ owners (independent of the *trespass on the general system*)
 “ has been enormous.”

Extract of Letter from George Millet, Esq. to Charles Grant, Esq. Chairman, dated July 1st, 1809.—Appendix, No. 4679.

“ If the circumstance be not already known to you, I imagine you will be astonished to hear, that *the demurrage alone upon 27 extra ships*, which arrived in 1807, amounted to the enormous sum of 91,054*l.* If this account were to be swelled by the full extent of damage upon those ships, it would condemn, more than the writing of volumes would do, *the destructive consequence arising from improvident seasons of dispatch, and delays abroad and at home.* With this conviction upon my mind, it would be an entire dereliction of my duty to the Company, if I were not to avail myself of the opportunity, to state publicly to you what I have on several occasions stated privately to the Chairs, that nothing but cases of absolute necessity should induce the Court of Directors to dispatch the fleet at unseasonable periods. What those periods are, is easily understood, and perfectly known to the *Committee of Shipping*; but, as a general principle for the extra service, I may venture to observe, that in a direct voyage for Bengal or Bombay, the ships ought to sail from Portsmouth not later than *the middle of June*, and every ship should leave India for Europe before the 1st of *March.*”

APPENDIX, D.

Statement, shewing the Average Value of Imports and Exports into Calcutta and British India, for different periods, to England, America, and Foreign Europe, in Lacks of Rupees, of 10,000l. each.

NUMBER OF YEARS.	IMPORTS.				EXPORTS.			
	E. I. Company.	Private Merch.	Foreign Europe.	America.	E. I. Company.	Private Merch.	Foreign Europe.	America.
Average of the Trade to the Port of Calcutta for 4 Years, viz. 1795-6, 7, and 8-9		18½	13½	11½		60¾	26¾	19
Average of 3 Years, viz. 1799, 1800, and 1-2		41	30	43		91½	29¾	48½
Average of 2 Years, 1802-3 and 3-4	91½	44½	26½	48½	88½	109½	32	58½
Average of 2 Years, 1804-5 and 5-6	102½	42	29½	50	50	75	32½	48
For the Year 1806-7	136	65	25	110	45	90	19	90
Average of the Trade to and from the whole of British India for 3 Years, 1802, 3, and 4	141	77½	46½	53	133¾	127	42	53½
Average ditto for 3 Years, 1805, 6, and 7-8	152	89¾	43	96¾	95½	92	28	85

These Abstracts are taken from the Reporter of External Commerce of Bengal; the odd thousands above 50 are taken for a whole Lack of Rupees; if below, not included.

APPENDIX, E.

Abstract, Statement of the Amount of Sales of Goods at the East-India House for 17 Years, belonging to the Company, to Private Merchants, and the Commanders and Officers of the Shipping, from 1793-4 to 1809-10.

Year.	FROM INDIA.				FROM CHINA.		
	Company's	Private Merchants'	Captains'	Total.	Company's	Captains'	Total.
	L.	L.	L.	L.	L.	L.	L.
1793-4	2,345,151	181,710	441,929	2,968,790	2,514,594	258,981	2,773,575
1798	4,663,390	881,662	448,061	5,993,113	3,652,283	300,236	3,952,519
1800	3,978,800	1,747,139	546,449	6,272,388	3,616,381	268,701	3,885,082
1802	2,316,384	2,586,581	456,052	5,359,017	3,753,252	469,731	4,222,983
1807	1,310,215	1,931,685	617,876	3,859,776	3,846,756	238,122	4,084,878
1809-10	2,254,164	1,129,408	433,275	3,816,847	3,723,116	353,418	4,076,534

Amount of Company's Sales of India Goods for 17 Years	44,841,680	
Ditto ditto of China ditto for ditto	57,896,274	102,737,954

Amount of Sales of Goods of Private Merchants from India, for 17 Years	—	21,217,283
Ditto ditto of Captains from India	—	7,543,076
Ditto ditto ditto China	—	5,230,897
		12,773,973
Total Amount of Sale at the India House		136,729,210

Average Gross Sales for 17 Years of the Company's India and China Sales	6,043,409
Ditto ditto ditto of Private Merchants and Captains	1,999,486
Total Gross Sales	8,042,895

Amount of India Sales of Company, from 1799 to 1809, or 11 Years	26,185,349
Ditto ditto of Private Merchants ditto ditto	17,948,749
Excess of the Company in 11 Years	8,236,600

APPENDIX, F.

STATEMENT OF THE EXPORTS,
(REAL VALUE,)

FROM

ENGLAND to the UNITED STATES,

AND TO

Other Parts of America and the West Indies,

FOR SEVEN YEARS.

28th of April, 1812,
by House of Commons.

Year.	To the United States.	To other parts of America and the West Ind.	Total in each Year.	Average of
	L.	L.	L.	
1805	11,446,939	8,557,186	20,004,125	4 Years, L.22,921,224
1806	12,865,551	11,887,561	24,753,112	
1807	12,097,942	11,353,796	23,451,738	
1808	5,802,866	18,173,056	23,475,922	
1809	7,460,768	19,833,696	27,294,464	3 Years, L.23,638,175
1810	11,217,685	17,683,707	28,901,392	
1811	1,874,917	12,843,752	14,718,669	

The average of the three last years exceeds 716,951*l.* per annum, the average of four former years, and shews that the importance of the interruptions of the commerce between England and America is not so great as the public have been induced to believe.

APPENDIX, G.

*Statement of Duties paid at the Port of Calcutta upon
English goods. January, 1812.*

Boots and Shoes	}	5 per cent. or $6\frac{1}{4}$ with the exchange added			
Woollen Cloths					
Carriages	}	$7\frac{1}{2}$	-	-	$9\frac{1}{4}$ - - ditto
Carpets					
Brass	}	10	-	-	$12\frac{1}{2}$ ditto
Copper					
Europe Goods					
of all kinds					
Iron					
Lead					

The above rates are charged upon the invoice prices, and ten sicca rupees are paid for every pound sterling, which makes an addition of 25 per cent. to the rate specified in the government tariff.

Indigo pays a transit duty of 5 per cent. and silk and piece goods pay a duty of $7\frac{1}{2}$ per cent.; of which 5 are allowed upon exportation; the duty is charged on the invoice, after deduction of 10 per cent. Goods imported in foreign ships *now* pay double duties; and on goods imported for exportation, two thirds of the import duty is allowed to British, and one third to foreign ships exporting.

The East India Company imported into India, from the year 1792-3 to 1808-9, in goods and stores, chiefly woollens and metals

11,554,218

Upon which I charge only a low average duty of 5 per cent.

577,710

They exported from India to England, in the same period, goods to the amount of

25,407,099

Upon which I charge an average duty of $2\frac{1}{2}$ per cent.

635,177

Total amount of the customs

on goods

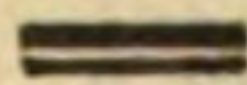
£.1,212,887

which merchants, importing and exporting these goods, would have had to pay, to the Company as sovereigns of India, and that amount would have been an increase to the revenues of the country.

If these customs had been brought to credit annually, and been allowed to stand at the interest of 8, 10, and 12 per cent. at which, during that period, the Company were borrowing money in India, the amount would have been more than doubled, or 2,425,774*l.*—a large sum, which the Company have not in their accounts charged to their trade, or added to their territorial revenues.

The amount of exports from England to India, in the periods from 1781 to 1791, and from 1792 to 1809, is taken, in the gross, without distinguishing the amount of woollens, metals, and stores, which would have been too much in detail.

APPENDIX, H.



Sums stated by the Select Committee, in No. 51 of the Appendix to Fourth Report, as doubtful, although they appear to me to belong equally to the Political and Commercial, and should be divided accordingly between them.

* Third Report, Appendix 22. Losses by consignments from port to port in India - £. 873,403

† Ditto, ditto 23. Losses at the several Presidencies - - - 461,428

‡ Fourth Report, Appendix 22. Paid to the public - - 500,000

** For seamen raised - - 47,000

Loss on loyalty loan - - 107,878

Third Report, Appendix 10. Interest on postponed bills - 120,963

Appendix 34. Paid owners of rice ships - - 110,595

————— 886,436

§ Second Report, Appendix 63. Supplies to Bencoolen, Prince of Wales, and St. Helena 2,685,740

|| Report, Appendix 423. Charges and Losses at St. Helena - - 1,046,653

Half, £. 2,976,830 of 5,958,660

Notes to preceding Page.

* This charge is evidently for losses on goods sent to different ports in India, and should be entirely commercial.

† Being, amongst other items, bad debts, which must be commercial, the balances of revenue never being put into the general books in that way.

‡ Mr. Dundas, in 1793, states, that as Government had lost 500,000*l.* a year by the commutation tax, the India trade ought to pay it when it could.

Extract from Mr. Dundas's Letter of 16th of February, 1793.

“ What I have just stated refers, in a great measure,
 “ though not wholly, to the Indian part of your trade, but
 “ the conclusion I have drawn applies with equal force to
 “ the China branch of it; for you cannot omit to take under
 “ your consideration how much the value of that trade has
 “ been augmented by the Commutation Act; but in order to
 “ secure that object, it was necessary for the public to bur-
 “ then itself with other duties, to the annual amount of
 “ 500,000*l.* Under these circumstances, I think the public
 “ is justly warranted to expect the sum of participation,
 “ not less than 500,000*l.* sterling.”

** The charges for seamen, loyalty loan, and postponed bills, may be equally political and commercial; but the charge for rice ships ought to be purely commercial.

§ & || The supplies and support of Bencoolen, Prince of Wales Island, and St. Helena, are equally necessary for the commercial as the political, and ought to be apportioned to both.

APPENDIX, I.

Statement of Profit and Charges on Home and Outward Goods, from 1802-3 to 9-10, viz. eight Years. Taken from Accounts laid before Parliament.

Fourth Report, Appendix 25.	Profit	
on six years	-	£.1,853,276
Loss on two years	-	299,148
		<u>1,554,128</u>
No. 36.	Profit on goods outward	- 271,187
	Total profit	- £.1,825,315
Deduct loss by sale of saltpetre to Government for eight years	-	264,502
Commercial charges not included, ditto		1,410,570
Insurance on 15,554,912 <i>l.</i> being the amount of sales of goods in these eight years, at 3 <i>l.</i> 3 <i>s.</i> 5 <i>d.</i> per cent.		493,220
		<u>2,168,292</u>
	Loss in eight years	- £.342,977

without adding any of the share of the charges incurred by paying remuneration to captains of worn-out ships, the owners of lost ships, and salvage, 537,226*l.*, the half of profit on spices to the Government, 423,395*l.* &c.; or any one of the many charges to be added.

The insurance is charged on the division of the loss upon 44,841,680*l.* the total amount of sales of India goods in 17 years, instead of charging the actual loss incurred in the eight years upon 15,554,912*l.* the amount of sales of the goods in these eight years

As per No. 25 of Appendix, Fourth Report,		£.
prime cost of the homeward cargoes,		
8,872,977 <i>l.</i> —customs and invoice duties thereon, at 3½ per cent.	-	310 554
Prime cost of outward cargoes, 7,340,691 <i>l.</i> , as per No. 5 of Appendix, Third Report,		
at 7½ per cent.	-	550,551
		<u>861,105</u>
Amount of duties in India, to be added.	-	

APPENDIX, K.

*Statement given by the Court of Directors, of their Trade for three Years,
No. 8, in the Supplement to the Exposition on the State of the Company's
Finances.*

		Loss.		
1807-8.	Cost, charges, freight, &c. }	416,197	On China profit,	996,816
1808-9.	On India investment, }	69,823	- - -	1,062,637
1809-10.	Ditto gain,	130,174	- - -	1,444,742
Loss in three years by India trade of		355,846	and our China gain,	3,504,195
being, on average		118,615 a year.	on average	£.1,168,065

CHARLES CARTWRIGHT,
Acct. Genl.

(Signed)

East India House, }
8th April, 1810. }

The amount of exports from England in 1806-7, 1807-8, and 1808-9, }
as per Appendix, No. 5 of the Third Report, 3,172,718*l.*; upon } 237,953
which I charge import customs in India $7\frac{1}{2}$ per cent.
The amount of exports from India, prime cost, for 1807-8, 8-9, }
and 1809-10, 3,141,174*l.*—customs at $3\frac{1}{2}$ per cent. } 109,941

Total customs £.347,894

which ought to be added to the amount charges on the trade.

APPENDIX, L.

Statement of Cash realised since 1792, by Loans in India and England, and by Profit from the China Trade, and Annuities.

Total amount of debt at interest and floating in India on 30th April, 1809, as per No. 2, Appendix to the Third Report	-	-	-	29,897,742
From which deduct				
Total amount of debt at interest and floating in India on 30th April, 1792, The balance is the sum raised in India on credit of the territories	-	-	-	7,992,548
The net assets on 30th April, 1809, were	12,222,010			20,905,194
From which deduct				
The net assets on 30th April, 1792,	-	3,800,838	-	8,298,656
Being the net amount surplus cash	-	-	-	12,606,528
The total surplus expense of territories, as per account	-	-	6,364,931	
Add one half of the sums considered doubtful	-	-	2,976,830	-
The balance of cash which the loans of India have furnished beyond the wants of the territories, will be	-	-	-	9,341,761
The profit from the China trade, as per account	-	-	15,641,824	3,264,767
The interest received for annuities	-	-	629,225	
			16,271,049	
From which deduct				
The total amount paid for dividend of Stock and Bonds	12,512,284			
The balance is cash surplus from the trade of China, &c.	-	-	-	-
The amount of stock on 30th of April, 1793, in England, was 5,000,000	-	-	-	3,758,765
Received for new stock, 1793-4	-	-	2,027,295	
Increase of bonded debt, in March, 1810	-	-	1,708,601	
Loan from the Bank on mortgage	-	-	200,000	
Total increase of cash in England	-	-	3,935,896	
Deduct one half of sums doubtful and commercial	-	-	2,976,830	
Shewing a balance of cash to be accounted for, of	-	-	-	959,066
				£.7,982,598

If the India trade has been producing a profit of 200,000*l.* a year, besides the supply shown in this statement, the balance to be accounted for must be great.

RESOLUTIONS, &c.

As the Resolutions, which the General Court of Proprietors agreed to, on the 26th of January, 1812, were only read once at a late hour, before they were agreed to, it was impossible for any person who had not read and considered them deliberately out of Court, to form a just and consistent opinion thereon.

I consider the Resolutions as expressing the sentiments and opinions of the Court of Directors, and having, for reasons then assigned, given my dissent to their being adopted by the Court, I shall now beg leave to make a few remarks upon such of the paragraphs of the Resolutions as appear to be at variance with facts, as they have taken place, or do now exist; and which appear sufficiently strong to have induced the Court to reject them, if they had decided conformable to the facts offered to their consideration.

RESOLUTIONS.

That the Court perceives with deep regret, that after a long correspondence and discussion, conducted with exemplary firmness, temper, and ability on the part of the Court of Directors, and with much difference of opinion among the several Ministers who have represented his Majesty's Government in the discussion, and closed on the part of his Majesty's present Ministers with a reference to the petitions lately presented to Parliament, as a ground of their new determination, the parties have at length arrived at a point when decision is absolutely required, between the ruin of the Company and the disappointment of the petitioners against their Charter.

REMARKS.

In this Resolution three facts are assumed; viz. That the Court of Directors have acted with firmness, temper, and ability in the discussion; that his Majesty's Ministers closed the discussion; and that the point at issue, namely, whether the imports should be permitted to the outports, involves the ruin of the Company.

If the premature Resolution of the 18th of December, not to recommend to the Proprietors the renewing of the Charter, can be considered as wise and judicious; and if persisting in a hasty and rash Resolution is to be understood as a proof of firmness, then I will allow that the Court of Directors have been, firm in their perseverance, temperate in their premature Resolution, and wise in the opinion, declared in that Resolution.

Instead of his Majesty's Ministers having closed the negotiation, the Court of Directors, by their Resolution of the 18th of De-

That, on former discussions relative to the renewal of the Company's Charter, and particularly in 1793, his Majesty's Government were prepared *at the outset*, to state the precise extent of concession which could safely be allowed to the petitioners against the Company's Charter; and their mature conviction appeared then to be, that the regulated monopoly of the Company was essential to the interests of this country, and that this consideration alone was a sufficient answer to all pretences for interference with that monopoly.

cember, put an end to the discussion by declaring, that they could not recommend to the Proprietors to accept of the Charter on the terms proposed, and that without even leaving the door open for discussion by any kind of proviso, as to explanation from the Minister, or modification of the proposals as to the manner of carrying these propositions into effect.

The Chairman has likewise, in corroboration of that fact, declared that they cannot be *the first* to renew the negotiation (*I suppose consistent with the dignity of the Court,*) but, that they *would be happy to receive* the proposals of the Minister, if he should think proper to make any to them.

The ruin of the Company is not at all connected with the extension of the imports to the outports; because the Government that proposed the measure, gives at the same time near 1,200,000*l.* a year by the China trade; a sum nearly double what is necessary to pay the whole of the dividends, which will keep their credit at home, and India is able to support itself: therefore, the ruin will only be to the Directors' favourite establishment in the *complicated* India trade.

It is asserted in this Resolution, that his Majesty's present Ministers have not acted as the Ministers in 1793 did, in as much as they have altered their opinions as to the extent of concessions to be granted to the public in the trade.

It is also stated, that the Ministry then thought the trade to India could only be carried on by a monopoly. But facts are in direct opposition to both these assertions; for it appears by Mr. Dundas's letter of the 16th Feb. 1793, that the Ministers had agreed to the Company's proposals for the renewal of the Charter; but by his letter of the 24th of March, 1793, we find that he

proposed *more* concessions than he hath *at the outset* proposed; and, moreover we learn, that he afterwards granted these modified concessions. As to their opinion about the *necessity* of a *monopoly*, let Mr. Dundas's letter of the 27th of March, 1793, speak for itself:

"If I was obliged to give an immediate decision on so important a question, I should rather be disposed to think that, through the East India Company, as the medium of Government in India, and the channel of remittance from it, the purposes of the public may be served *without the aid* of an exclusive trade."

I admit that the trade has not been a *strict* monopoly, but experience has proved that it has been sufficiently close to disappoint the nation in the expectations which it had formed, and which had been held out by the Act of 1793, and the propositions of 1802. It has been satisfactorily proved, that no modifications of a restricted commerce can answer the purposes of the private merchant and the nation; that the Chairmen have declared it to be beyond the *effort of human wisdom* to supply freight upon the most reduced terms. They state,

"Upon this head it is incumbent upon us to remark, that if the merchants assert that freight is to be afforded them upon the most *reduced terms*, and at the same time that the ships are neither to be dispatched outward or homeward, but in the favourable season, they seek to effect what is not practicable by any effort of *human wisdom*."

If the Chairmen declare that to be impracticable which the merchants consider attainable without any great effort of wisdom, it is for the Legislature to consider whether the commerce of the pri-

That the trade of the Company has long ceased to bear the character of a strict monopoly; and that by some further modifications, if thought indispensable, in addition to the arrangement of 1793 and 1802, it may be considered as much an open trade, as will be consistent with the security of the revenue, and the prosperity of the Indian Empire.

That it is the opinion of the ablest Indian statesmen, as well as the generality of persons acquainted with India, that no large or sudden addition can be made to the amount of British exports to that country or China. That this opinion is confirmed by the Americans, who export chiefly bullion, and by the overloaded state of the Indian markets. That the habits and religion of the natives are hostile to such extension; and that the Company actually suffer a loss in this department of their concerns, with the view of employing the capital, and encouraging the industry, of their countrymen at home.

vate merchants to India, ought to be intrusted to, or controlled by, those who declare themselves unable to carry it on, upon the most reduced terms.

It should be considered that reduced freight is only one of the many obstacles which the trade to India has experienced, and which must continue if the Company have any controul over the commerce of private merchants,

If I admit that the opinions of the ablest statesmen, and those high characters who have been in India, differ on this subject; I must also state, that the most convincing facts and proofs are afforded to us, that the exports from England have been regularly and *gradually* increasing, and still are increasing. It appears that from 1781 to 91, the exports to India were 363,312*l.* a year; from 1792 to 1809, they were 679,656*l.* a year; and even a larger increase to China. The Americans receive bullion in return for the Indian goods, and prefer the profits from a quick return, rather than a retail and protracted market.

The habits and religion of the natives are not hostile to the use of Europe articles; but, on the contrary, the natives are proud of them, if they could afford to purchase them.

The statement of the Company, as given in No. 36 of the Appendix of the Fourth Report, exhibits a profit of 837,940*l.* upon their outward cargoes, and is in direct opposition to the present Resolution. I am perfectly satisfied that the trade has been a losing one, and the present Resolution only proves how an assertion is made *affirmative* or *negative*, according to the view of the Directors at the time.

If the Directors have been throwing away for years the cash of the Proprietors in any branch

of trade, it is high time for the Proprietors to stop such a practice. It is also necessary for the Minister to take care that the capital of the country is not uselessly employed, but that the whole capital, if possible, become productive to the state. If the Company, with a laudable intention no doubt, though upon an erroneous policy, should afford a profit to the clothiers in the use of their capital, but suffer a loss in the use of their own, it becomes evident that the nation gains nothing; no productive increase, which ought to take place in every thriving country.

The greater the extent of the capital employed to a certain loss by the Company, renders it the more necessary for the Legislature to interfere and prevent it.

True policy forbids a continued series of losses, unless some countervailing advantages are in view, which I do not see in any way.

That, so far as relates to the ordinary produce of India, the import trade is now carried to the full extent of the demand, as appears by the value of 2,500,000*l.* sterling, of private property at this moment remaining in the Company's warehouses; and that to open the out-ports to that trade, would be no other than a ruinous transfer of it into new channels, to the destruction of immense and costly establishments, and the beggary of many thousands of industrious individuals.

The best answer to this assertion is, that the cotton, about one fourth of the private property stated to be in the warehouses, could now be sold at a clear profit of 50 or 60 per cent.; and, that little of the rest of the goods will be on hand in a few months, if the Proprietors will sell for a moderate profit. As to the transfer of the trade, it is very evident that every person who has a profitable monopoly, whether by means of a patent or charter, will sustain a loss by the public becoming sharers in that trade after the expiration of the patent; but, as the patentee knew the terms and duration of his exclusive privileges, it would become a question of vast consequence, if the Government were to renew every patent for another term of 14 or 20 years, because the patentee had built himself a palace, and

That an extension of the trade in other products, the supposed effect of opening the out-ports, could be realised only by a large transfer of capital to India, and its consequent colonisation, &c. &c.

That any unrestrained intercourse of Europeans with our Indian Empire is highly to be deprecated, &c. &c.

That this Court do most highly approve the conduct of the Directors upon the vital question of admitting the out-ports to the import trade from India; and that the confusion and hazard from irregular sales at the out-ports, the loss to the revenue from smuggling, and the consequent ruin of the Company's China trade, are decisive obstacles to the policy of such a measure. They are therefore firmly of opinion, that the Court of Directors should, *on no consideration whatever, cede this point* in the discussion. This Court therefore conceives that it is of vital importance to the city and port of London, that the export trade to India and China should continue to be carried on as heretofore.

formed costly establishments for the purpose of carrying on his trade during the period of his patent.

It is not proposed, by allowing a participation of the trade to the out-ports, to take or prohibit the trade in London; consequently the greater number of industrious persons now employed, would continue to be employed in the same trade.

If capital could be employed to more advantage in the commerce to India than in the commerce to other countries, is there any one just reason why it should not be so employed?—Trade and colonisation have little connection together.

The proposition of his Majesty's Minister is not to allow an *unrestrained* intercourse, but a trade under proper regulations. The existing laws in India, and other regulations that may be adopted, guard sufficiently against the mischiefs dreaded and noticed in this paragraph.

This Resolution assumes, that it is in the power of the Court of Proprietors to keep from the nation, if they think proper, either the export or import trade of India, or they would not express an opinion to the Directors, their representatives, *on no consideration whatever to cede* the import trade from India to the out-ports. It may be flattering to the Directors to think that they have the power of *ceding* and *dictating*, in such language, what the portion of the trade of India the country at large should receive from their hands; but it will be very different in reality, when the petition is before the Legislature.

Is there any hazard or confusion takes place from the sales of colonial produce at any of the out-ports? or, is there any thing in the nature

of Indian commodities, to produce confusion and hazard, unless sold in the India House?

It has been the part of the Directors to take up the cause of the city of London, but it is certainly a questionable point, whether the Court of Proprietors of India Stock, in their deliberations and in their Resolutions, ought to have manifested such anxiety for the interests of the city and port of London, *in preference* to the interests of the rest of the kingdom. If any notice of the wharfs and warehouses of the Company, and probable loss to them by an alteration of the trade, had been taken, there would have been some excuse.

I must observe, that it appears very extraordinary that the Court of Proprietors should, in this Resolution, recommend the export trade to India and China to be continued as heretofore, when the Directors, in their correspondence with the Ministers, had acquiesced in allowing the exports to India from the out-ports. It will, I fear, appear to the public, that the Court of Proprietors, as holders of India Stock, have rather gone beyond their own concerns, in taking up the cause of the city of London, which has so many advocates eager to defend their rights; and, if the city can claim any right, they will not be backward in doing so.

It must be admitted, that foreigners were allowed to trade to India by Acts of Parliament: but it cannot be denied, that the Charter to the Company was the sole cause why British subjects did not trade there with equal facilities as foreigners. The neutral character of foreigners had little advantage in enabling them to meet the English merchant with Indian articles in the British West Indies, at Gibraltar, Malta, &c.; but their being able to sell them

That there is no foundation, in fact, for the statement which ascribes to the Company's Charter the advantages enjoyed by neutral foreigners over British merchants, in the admission of the former to a trade from which the latter are excluded: for, that the profit with which that trade has been carried on by these foreigners, has been entirely owing to the facilities necessarily belonging to their neutral character, and

which, of course, cannot belong to the merchants of a belligerent state.

That the discharge of the political functions of the Company depends on the continuance of its commercial privileges, &c. &c.

By the continuance of the Company's commercial privileges, the remittance of the fortunes accumulated by above 3000 officers of the Company's military service, and some hundreds of civil servants, are transmitted to the capital, and stimulate the industry of Britain.

That, connected with this department of the subject, is the extreme danger to which, in case of the Company's dissolution, the balance of the constitution would be exposed, by the transfer of the Indian patronage to

cheaper than the British merchant, under all his impediments and hindrances could do, has been the real cause.

The charge for insurance from America to India and back, has been in general 12 per cent., as much as on the Company's ships; but their ships could make one voyage in 9 or 10 months, whilst the Company's require 15 or 20 months; they could assort their cargoes, sail when they pleased, &c. which British merchants could not; and these are some of the advantages of the *neutral* character.

It is not proposed, nor can the Company be prevented from trading to India, if they can do so with advantage; but the character of the Company, as sovereigns, has no dependence upon commerce, except for the remittance of any surplus revenues, and that could be equally well done by private merchants, if the Company should not do it.

As the commerce to India has been a losing trade, and as all governments are supported in the most effectual manner by money, it follows, that the continuation of a losing trade would injure, instead of supporting, the political government of the Company.

Of the 3000 military officers, scarcely one in thirty accumulate fortunes, and these could be remitted them with greater advantage if the trade was laid open, and give equal stimulus to the industry of Great Britain.

If the Court of Proprietors, by their own act, refuse the offer made to them by the Minister, it will follow, according to the 3d of George II. that the Company will continue in possession of their territories, and will trade, in *common*

the Crown, and the enormous burden which would be entailed on the public, in satisfying the claims of compensation on behalf of the Company, and of all the complicated interests which would be involved in its fate.

That by the destruction of the Company, a vast number of these Proprietors, amongst whom its capital of 12,000,000*l.* sterling, is divided, would be reduced to extreme distress; and nearly 40,000 persons, directly employed by the Company, with many others indirectly concerned in its prosperity, would be brought to a state of absolute beggary.

That, from the tenor of the preceding considerations, it appears to this Court, that no case of political or commercial delinquency has been established against the Company, to justify the ruin with which they are threatened, or to perfect their claim to a continuance of their Charter, &c.

with other British subjects, to India. There will be no danger to the constitution, as the patronage will remain with the Directors; nor will the public be burthened with any claims for compensation, as the Company, continued in possession of their territories, can have no claim upon the expiration of their Charter. The Court of Proprietors will, I fear, be mistaken if they expect to receive compensation from the nation on the expiration of their exclusive privileges of trade.

If the Proprietors, by their Resolutions, are determined to support the Directors in their refusal to accept the *boon* of the China trade, which is the only means they have had, for these eighteen years past, of paying their dividends, they will be themselves the cause of their own loss, and have themselves alone to blame for their distress. The Company cannot be dissolved without a compensation for their territories, but they may be allowed to retain them; and, if there is any surplus revenue, the Proprietors will receive a dividend; if not, as they have refused the China profits, they must put up with the loss, and thank themselves for having been the cause.

The evidence taken before the Select Committee of the House of Commons establishes, beyond a doubt, that the objects of the Legislature, by the Act of the 33d of George III. have not been realised; it is therefore unnecessary to prove any delinquency against the Company, in order that the Legislature should, at the expiration of the present Charter, adopt such measures as the advantage of the nation requires.

The Company are not threatened with ruin, except from the conduct of the Directors and Proprietors themselves; as it is proposed to renew to them by Char-

That the combination of these and other sums, producing 185,960,000*l.* have been diffused in various channels through the whole circulation of the British Empire.

ter all that is valuable in their trade and territories.

It is, I believe, contrary to the facts before the public, to assert that any of their *commercial funds and profits* have been wasted on costly enterprises, or wars in India; the revenues from the territories having, with the loans raised there, produced more money than has been expended upon them. The quiet and secure possession of the territories could not have been effected in any other manner, than by the prosecution of the wars.

This brings forward the question, whether, if by a more free and open trade to India, a greater portion of the commerce of India had been brought to Great Britain, a larger sum would not have been circulated; and, if amongst the out-ports, that it would have been more generally useful to the British Empire?

The various numerical results taken from the Reports of the Select Committee, only exhibit what has taken place under the restricted trade of the Company's Charter, and several of them prove, in the most incontestible manner, that much greater increase might have taken place under an open and liberal system.

I am not at all inclined to attach blame to the Court of Directors, or any of their servants, in the conduct of their commercial system; but it is the restricted system and erroneous principle which I would blame, and wish to see altered.

FINIS.

Hume, Joseph,

The substance of the speech of Joseph Hume, Esq. delivered at an adjourned general court of the proprietors of East India stock, held in the India House, on the 19. of january, 1813, for the purpose of taking into consideration the papers and correspondence between the court of directors and his Majesty's ministers, for the renewal of the company's charter with

London 1813

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